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Formerly Millard's Review

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SETTLING THE SHANGHAI DEADLOCK

PRACTICALLY three months have now elapsed since the incident of May 30 wherein a number of Chinese students and others were killed by the Shanghai Municipal police when an attempt was being made to storm one of the police stations in the center of the city. Although the mob had its beginning in a parade of protest against the treatment of Chinese laborers in Japanese cotton mills in Shanghai, the Japanese have succeeded in entirely wriggling out of the trouble and have left the British holding the bag. Just how the Japanese have succeeded in this clever move is not known, but from the very beginning of the trouble there has been a constant string of prominent Japanese politicians, bankers, industrialists, labor leaders, members of chambers of commerce and so on, coming to Shanghai and talking matters over with the Chinese. Although the tenor of these various conversations is not known, the facts of the situation are that the Japanese have successfully convinced the Chinese of their desire to make amends for past troubles and of more importance, of the necessity of Japan and China working together and trying to understand each other. This latter point is significant, because from the very beginning of the trouble, the Japanese home press has interpreted the Chinese uprising as a "blow at Anglo-Saxonism in Asia."

ON Friday of last week, residents of Shanghai who happened to be in the vicinity of the Bund observed the unusual spectacle of a launch parading along the Whangpoo River towing in its wake a barge containing a large number of Chinese laborers. There were streamers flying and a Chinese band was vying with a din of firecrackers to let Shanghai, and especially the British in Shanghai, know that the Japanese shipping strike had been settled and the Chinese seamen were going back to work on the numerous Japanese boats tied up in the Shanghai harbor. The strike of Chinese laborers in the Japanese cotton mills was settled a few days earlier and in a less spectacular manner, but few of the mills have been able to resume owing to the refusal of the Municipal authorities to resume operation of the power plant, the excuse being that the Chinese laborers employed at the plant are still on strike. The Chinese, who are also affected by the shut-down of the municipal plant, claim that they have offered to supply labor to the plant, sufficient to enable the Japanese and Chinese mills to resume, but there is still considerable uncertainty on this point.

IN order to consider the Shanghai deadlock as it stands today, it is necessary first to review some of the events which have happened since May 30. Although the May 30 incident was not different from similar affairs growing out of industrial struggles in other parts of the world where strikers come into conflict with the police, it is questionable whether any labor conflict anywhere since the beginnings of industrialism, has had the far reaching effects of this "incident" or "tragedy" of Saturday afternoon, May 30. These shots from rifles in the hands of the Shanghai municipal police were not only heard in every village and hamlet of China's vast territorities, but in the capitals of the United States, Japan, Great Britain, France, Italy, Germany and—Russia. Russia is mentioned last for emphasis because it has been largely due to help from the Soviet capital that other nations have been forced to heed the warning of China unrest, the ultimate results of which are bound to profoundly change the relations of West and East and may in the end, if not intelligently handled, result in sowing the seeds for another world war.

THERE doubtless are a few persons in Shanghai who still think that the Shanghai trouble might have been localized and prevented from spreading over the whole country, and there may still be a few deluded individuals in this city who continue to think that by settling the Shanghai trouble, the larger consequences in the readjustment of treaty relations between China and the Powers might be averted. But being more or less familiar with the mental attitude of Shanghai and the viewpoints of Shanghai's leaders in respect to changing conditions in China, and this combined with the methods of diplomacy in respect to the dealings of the Powers with China, it is open to serious doubt whether anything could have been done here that would have prevented the spread of the trouble over the whole country. But it is interesting nevertheless to recount what has happened, and the problem which is now facing this city. Immediately following the May 30 incident, the Chinese Government appointed a Chinese commission to come to Shanghai to investigate the situation. Then the Diplomatic Body, as a friendly gesture, also sent a commission composed of legation secretaries to Shanghai to investigate. After the foreign Diplomatic commission reached Shanghai, it received instructions from the respective legations to open negotiations with the Chinese delegates sent here by the Peking Government and to try to effect a settlement. In the meantime the Shanghai students and laborers had turned Shanghai upside down and had presented the Chinese commission sent here from Peking with "Thirteen Demands," which they desired the foreigners to grant in consequence of the shooting of students by the Municipal police on May 30. These thirteen demands included rendition of the International Mixed Conrt, Chinese repesentation on the Shanghai Municipal Council, trial and punishment of the police responsible for shooting the students, dismissal of certain high officials of the Shanghai Municipal Council, as well as indemnification for the families of the students and laborers killed in the riots.

THEREFORE when the Chinese delegates sent to Shanghai by the Peking Government, met the Diplomatic Commission sent here by the Peking Diplomatic Body, to negotiate a settlement, the Chinese delegates simply handed the foreigners a draft of the thirteen demands. Naturally the legation secretaries had no instructions to negotiate on these points, so they simply withdrew and returned to Peking. After they arrived in Peking, the Diplomatic Commission had further conferences and finally agreed upon a report with recommendations for settling the Shanghai trouble. This report included censure for the Chairman of the Shanghai Municipal Council, dismissal of the Shanghai chief-of-police and a few other drastic things and in addition carried a recommendation to the Shanghai Consular Body to remove the whole Shanghai municipal council, if it refused to carry out the orders of the Diplomatic Body. This report of the Diplomatic Commission was approved by all of the Ministers and Charge d'affairs in Peking and sent to Shanghai. No one knows how much money was expened in cables in getting this report suppressed, but anyone familiar with Shanghai's official attitude toward Peking diplomacy, and China generally can appreciate the sensation which the report created when it was received by the Shanghai Consular Body. At any rate Shanghai had sufficient influence to get it suppressed, but not before it had been published in Paris and Tokyo; and worse yet in the Chinese press.

ALTHOUGH the details of the drafting and adoption of this report are not known and probably never will be known, it was immediately suspected in Shanghai that it had been drafted by the French and Italian legations with the idea of bringing about a change in the status of the International Settlement and placing it on the same basis in respect to control by the Diplomatic Body as the French Concession at Shanghai. Space is too limited to give the history of the foundation of the French and International Settlement here at Shanghai, but both get their charters from the early treaties. The International Settlement was originally British, but other Powers came in claiming equal rights, so that finally it was decided to make the whole thing international. The French however at the last minute pulled out and established their own concession. In order to govern themselves, the local citizens, at a special meeting adopted land regulations which set forth property rights, methods of voting for municipal officials,-in short constituted a charter for the city, which charter gets its authority from the treaties. When the French established their Concession, they also adopted land regulations, but put in a proviso that veto power should rest with the French consular and diplopatic officials. This does not apply in the International Settlement and has always constituted a bone of contention with the Powers outside of Britain, America and Japan, who really control the International Settlement, the British dominating through majority interest. From a legal standpoint, the International Settlement is "international" and in theory is controlled by the Consular Body consisting of a dozen or more consular representatives stationed here. But from a practical standpoint, the control rests with the British, due to their majority voting power. A majority of the members of the municipal council are British and all of the heads of municipal departments and a majority of the foreign employes of the Council are British. British standards and specifications generally prevail.

THIS has always been a sore point with the so-called Latin group of Powers and also with the Dutch and Scandinavians. The Germans and Russians, since they have given up their

extraterritorial rights, do not figure in the Consular Body, but since they are classed with the "outs" they naturally would be against the administration of the settlement on political matters. Therefore the British are correct when they charge the famous Diplomatic Note to the genius of the Latins and the Scandinavians. Had the terms of this Note been carried out it would have destroyed the independence of the International Settlement and made it subject to the whims of the Diplomatic Body. Therefore the British, American and Japanese consuls were right in rejecting it, but in rejecting it they split the Diplomatic Body into two sections and they have never been able to patch the thing up. The British then came forward with a proposal that the original investigation by the Legation Secretaries was not thorough, that it was not an investigation, but a conspiracy, and that the only just way to settle the Shanghai trouble was to have another investigation of the whole Shanghai situation; in other words a Judicial Investigation, conducted by experienced men who would go into all phases of the Shanghai situation. This is where the deadlock now exists: The French bloc in the Diplomatic Body insists that the original Note be carried out, while the British are insisting upon a new investigation. And since the details of the whole unfortunate controversy are now in the hands of the Chinese, they are siding with the French against a new investigation. This is good politics for the Chinese, because a real investigation of the Shanghai trouble would "show-up" in no uncertain manner the unsavory political situation which has existed in native territory at Shanghai for many months. Therefore the Chinese are opposing a further investigation and are asking the question, Why investigate again, unless it is your intention to "whitewash" the municipal authorities and place the blame on the Chinese?

THIS serves to give an idea of the problem which has been created by the shots from a few rifles in the hands of the Shanghai municipal police on May 30. There is, of course, a slight possibility that the trouble might have been localized had the municipal authorities possessed sufficient vision to have acted immediately, but they were slow and permitted Peking to butt in. Then the Chinese were quick to seize the opportunity of exploiting the affair and making a national incident out of it. The Peking Government, otherwise the Anfu clique, working with the Kuomintang, saw a chance to exploit the affair and by stirring up the country to keep themselves in Power as the patriotic protectors of China. Then in rapid succession followed the Hankow incident, the Shameen incident, the Kiukiang incident, the Chinkiang incident, the Chungking incident, the Nanking incident and so on. The whole country is stirred and the Chinese radicals have placed the burden for it all on the British since their interests are largest and dependability upon the so-called unequal treaties greatest. The Chinese now do not wish to have these various incidents settled, for if they were settled, they would have no rallying cry. The Chinese politicians want to keep the thing going until they can force a general revision of the treaties, in short another conference similar to the Washington Conference, but one which will go further in the direction of eliminating the special treaty position of the foreigners. Since the Chinese have the benefit of Soviet advice and considerable financial assistance from the same source there is nothing, short of armed intervention, which can now stop the Chinese drive for treaty revision. Therefore, in conclusion, there is now no special point to settling the Shanghai trouble, except from the standpoint of ending the strike and boycott against private British interests which undoubtedly are suffering serious loss. If the general situation continues to drift in the direction of treaty revision, as is now inevitable, the only thing Shanghai can do is to sit tight and take the consequences when and how they come. But that it is almost certainly to result in fundamental changes in the character of the government here, goes without saying.

THE REAL INCENTIVE FOR SOVIET PROPAGANDA

A FEW days ago the writer had the opportunity of listening to a carefully prepared address by a prominent British official in Shanghai on the general subject of Bolshevist propaganda with special reference to China. Great care evidently had been exercised in the collection of the information upon which the address was based and according to the speaker's statement, he had had unusual facilities for obtaining data from the records in the British Foreign Office. In the course of his address the speaker referred to innumerable documents which had been intercepted proving the complicity of the Soviet and the Third International in uprisings and revolutionary plots to overturn the existing order in various parts of the world. From the standpoint of the recent trouble at Shanghai, the speaker claimed possession of documents proving Bolshevik instigation of the strike of Chinese laborers in the Japanese cotton mills, Bolshevik intrigue and finance behind the student agitation and so on. Altogether it was a damning record and most convincing and probably not overdrawn.

THE ONLY wonder is, after listening to an indictment of this character, why people go to such trouble and expense in obtaining information of this kind, when the whole thing is so evident on its face. In other words why do governments go to such trouble and undoubted expenditure of public funds, when the whole fabric of Bolshevik propaganda and government policy toward this part of the world is so evident that anybody with a modicum of intelligence can sense it? The reason of course is due to the inherent human characteristic of trying to make a great mystery out of something which is public property: hence the resulting credit to the "discoverer" of the gigantic plot to overturn empires and destroy governments.

THE foregoing thoughts are inspired by an article appearing elsewhere in this issue of the *Review* by Mr. Raymond T. Rich on the subject of "Economic Reasons for Soviet Interest in China," under which heading we find the real incentive for Soviet interest in this part of the world. When we consider the subject in the light of this viewpoint, Soviet policy toward the Orient and especially China becomes transparent and all of the "secret" documents and records of underground intrigue become nothing more than useless scraps of paper, despite the fact that they cost so much money and effort to obtain. The figures of economic conditions under the Soviet system in Russia, as quoted by Mr. Rich, tell of a most serious situation and the failure of communism. Production has gone down in the industries because the Soviet has removed the incentive for private initiative and effort. Agricultural production is better because the Russian peasants have never been converted to communism, but

even agriculture is interfered with due to state control or purchasing of farm products for export purposes. The whole Soviet system is in desperate straits and knows not where to turn. Production in Russia is almost completely tied up for want of capital and of course foreign capital will not come in under Communism. No one of intelligence would lend Russia a Mexican dollar, in view of the announced Soviet policy of repudiation. In their search for capital the Soviet has turned and twisted and compromised with its originally announced policies. According to the figures quoted by Mr. Rich, Russia owes the gigantic total of 13,823,000,000 gold roubles, the obligations being held chiefly in France, Great Britain and America. Since Russia is almost entirely undeveloped and with immense potential resources of minerals and agriculture, it would be a comparatively simple matter to fund this debt and obtain new capital—under a capitalistic system. But under the Soviet system with its announced policies of repudiation of old Russian debts and its adherence to communism, this is impossible. Therefore to obtain capital to live on the Soviet adopts the "concession" plan, bartering the right to exploit certain resources in certain districts in exchange for outside money. This is interesting especially in view of the Soviet's intrigue in China against the same system which has been going on in this country. In other words, Russia fights foreign imperialism in China, but admits the imperialists and capitalists into Russia. And naturally if the present system continues Russia is bound to be converted into a checker board of foreign concessions—just as has happened in China.

THE Soviet, seeing Russia drifting in the direction of Persia, Turkey, China; either that, or seeing themselves ultimately dislodged, seize at the last straw,—the Orient. Therefore they turn their faces in this direction hoping in some way, by forming a combination with the Asiatic peoples, to be able to defy the so-called capitalistic Powers and bring them to terms. Finding a disturbed condition in China, they exploit it and give it direction, hoping that through a combination with China they may be able to defy the rest of the world and get better terms. First they tried to make a deal with Japan, but this failed due to the fact that Russia and Japan are interested in the same thing, economic and political rights in Manchuria and Mongolia. What is ultimately to happen no one would dare to forecast, but that seeds are being sown for another world war anyone of intelligence may observe.

IN any consideration of Bolshevik propaganda and policy toward China, the question arises: How are the Powers having interests in this part of the world to meet the situation? Or to put it in other words, what is the best defense against Bolshevism in China? Bolshevism may well be compared to a disease. It is a social disease and attacks only in places where conditions are vulnerable. Like cholera and typhoid epidemics, conditions must be right, otherwise the disease can obtain no foothold. Here in China conditions have been "right" for a considerable number of years, or to put it another way China has had a rotten situation in respect to her internal affairs and an equally rotten situation in respect to her external affairs. Therefore the country was vulnerable for the attack of the Bolshevik disease, and since it was more convenient for the propagandists, domestic and foreign to attack the foreign situation, naturally they chose that point. And the foreigners, through their diplomatic blindness and blundering methods made the attack most easy. It is all very fine for foreigners to lay all of the trouble to the Bolsheviks, but this carries little conviction with the Chinese or with thinking foreigners. The Bolsheviks came to the Orient and found the smoldering embers of discontent. They immediately set about fanning these embers and adding new fuel to produce a blaze. The foreigners, otherwise the Treaty Powers, not sensing the real situation, attempted to stop the conflagration by using the usual methods, otherwise, first ignoring the situation and second, after the thing had flared up, by trying to suppress it. Their methods of suppression were just as blundering as their previous method of ignoring the trouble so, instead of stopping the trouble, they caused the blaze to spread all over the country and thus enabled China and the Bolsheviks to make a national question out of what was originally a localized affair.

THEREFORE today, this is, in brief, what the Powers face in trying to combat the Soviet in China. They have a choice of two roads: They can either put some 200,000 troops into China and conquer the country, including the Soviet, or they can make the best of a bad situation and try to conciliate China and strengthen her so that she herself can combat her external enemies, the Soviet as well as the other Powers, for the Soviet has no particular altruism in respect to China despite the soft words of their propagandists. The Soviet is interested in increasing Russia's economic and political interests in the Far East and the methods of today are not greatly different from the days when the Tzar conciliated China and helped her against the Powers following the Sino-Japanese War of 1894. The Soviet today is simply using, from their standpoint at least, skillful methods of diplomacy, to meet unskillful methods of diplomacy on the part of the Powers. This is the situation and there is no use trying to camouflage it. China's position in the midst of these cross-currents is, in consequence, most favorable. The Powers, despite the inclinations of the reactionaries, are now in a position where they have got to carry out their treaty commitments in respect to improvmenents in their policies toward China. China is in a most unfortunate situation to have responsibilities pushed on to her at this time, but the Powers have got to find a way to do it regardless of bad China conditions or their own reactionary inclinations.

Business Opportunities

The following trade inquiries have been received by the American Chamber of Commerce (Shanghai). Further information may be obtained from the Secretary of that organization.

The Emery Candle Co., 115 East Fourth Street, Cincinnati, Ohio, desire to secure representatives to push the sale of their candles.

The Rosenblum Company, 105 Hudson Street, New York City, desire to secure exclusive agency of a firm exporting Chinese egg albumen, dried spray egg yolk, frozen eggs, etc.

C. T. Small Mfg. Co., Ferguson & Vernon Avenues, St. Louis, Mo., desire to secure the services of a firm in Shanghai to market their line of canning and packaging machinery.

A member of the Chamber is interested in getting in touch with firms interested in the purchase of Algerian Fibre (Orin vegtal).

Economic Reasons for Soviet Interest in China

BY RAYMOND T. RICH

THE revolutionary economic polities of the Russian Soviet regime are, in a general way at least, well-known. So also is it a matter of common knowledge that the Bolshevik foreign policy is of a nature utterly different from that which has ever previously characterized the international intercourse of a great nation. But to a surprising degree we have neglected to study the relationship between Soviet economy and Soviet diplomacy.

Today the world's gaze is centered upon the Asiatic policy of the Soviet. It is an open secret, if secret it may be called at all, that the greatest hopes of the Bolshevists, especially during the last year, have been focussed in China and the rest of Asia. One has only to consult the officially reported utterances of Bolshevik spokesmen to become convinced that Asia is a major interest. But why is Soviet Russia thus facing Eastward? Obviously no single, all-inclusive reason can be adduced. Nor shall we, probably, for many years yet to come be in a position plainly to see the whole pattern of influences which are operating to make Russia orient herself in a very strict sense of the word.

There must, however, be many powerful economic forces somewhere in the situation, and for the present we shall content ourselves with an effort to ferret out some of their characteristics. We shall first examine certain features of Russia's internal economic condition within the past twelve months, and then survey the most important facts in her international economic situation. With these facts in mind, we shall conclude by considering the position in which they place Russia, and their consequent effect upon Soviet foreign policy.

With reference to Russia's internal economic situation, we find Premier Rykov himself admitting last December that the situation was poor. He estimated the general industrial production as only 50% of the pre-war level. The coal industry, although producing only 53% of the pre-war quantity, was far ahead of the industrial demand, and was suffering from overproduction. Meanwhile, however, the metal industry was near collapse on account of under-production. Martens metal figures were only 22% of the amounts before the war, and cast iron only 12%.

Since estimates by other leaders among the Bolshevists give even less favorable views of the situation, it is certain that these figures are the most optmistic which can possibly be advanced with any show of justification.

Agricultural Situation

A few facts regarding the agricultural situation are also of interest. Here the showing is much more favorable although this can scarcely be credited to the Communists inasmuch as Bolshevism has had its least influence among the peasants. The total area of land planted last year was reported as 88% of the pre-war area. With some crops, however, the sowings were much less in comparison with pre-war figures, as, for example, in the case of cotton and flax. The number of horses, according to figures reported last November, was about one-half the pre-war; of sheep, about the same as in 1913. As to cattle, however, although the number increased by 32% during the year, the Bolshevists themselves admit that there is no comparison with the pre-war standard.

Last year's harvest, furthermore, was reported as at least 10% less than in 1923. Consequently no grain could be exported—a very severe blow to the budget. Simultaneously, Russian press notices reported that the peasants were holding back their grain and flax, both because they refused to sell on credit, and also because there was a serious shortage of manufactured goods to be had in exchange—a fact which clearly showed the continued lack of coordination between private-controlled agriculture and State-operated industry. In other words the Bolshevists had not yet been able to satisfy the peasants, and there are many indications to the effect that the unrest of the peasantry has been causing the Communists ever increasing anxiety.

Meanwhile, it appears that advocates of the dictatorship of the proletariat were unable, even after seven years, to display any notable accomplishments on behalf of the proletariat itself. For example, Mr. Schmidt, Commissar for Labor, reported before the Trade Union Congress last Autumn that it had been necessary to make many retreats in protective labor legislation, especially regarding women and children, although he claimed an advance for the social insurance schemes.

Another significant fact is that on November 1st, last, the Chairman of the Supreme Economic Council, Mr. Dzerzhinsky, roundly criticizid labor for its inefficiency. He asserted that where 11,000 workers in 1913 produced 100%. 14,000 now pooduced only 37%.

Some reason for this decreased productively of labor can be seen if we turn to the wages which these workers have been receiving. In the second half of 1923, the average wage in Soviet industry was not over 55% of the pre-war average, according to very reliable figures from the International Labor Office of the League of Nations. The same reference is authority for the statement that over 17% of the workers were not receiving the state-established minimum wage, and that the wages of engineers were scarcely 20-30% of the pre-war level. More recent figures from Soviet sources, estimate that the average wage of the Russian workers last December was 72.5% of the pre-war figures. Here again, however, it is admitted that the heavy industry and transport workers were receiving much less, the railroad employees receiving only about 50% of their average pre-war earnings. A very significant exception is with reference to the workers in Leningrad and Moscow, who were receiving about 90 % to 109 % of the pre-war average! Obviously the Bolshevists were manouvering to retain the favor of the workers in the great political centers.

Nor does this complete the list of the recent troubles of the Bolshevists. It will be remembered that in the Spring of 1924 the Communist Party resolved to fight with every resource at its disposal against the predominance of private capital in domestic trade,—against the so-called "Hepmen" in other words. By November 1st what was the situation? Premier Bykov himself was admitting that the Soviets had gone too far in restricting private trade, and was pleading against the too hasty expulsion of the private trader. He asserted that the population's needs had not been cared for after the close of the private shops, and that the cooperatives were incapable of caring for all the work of distribution. Indeed, he declared that the cooperative associations were demanding credit from the State with no other security than a copy of Lenin's pamphlet on the need of cooperation! "And of course," he added, "that isn't a commercial document!"

A few additional brief observations will conclude our consideration of the recent internal economic condition of Soviet Russia. It was announced last Autumn that the State budget balanced for the first time in the history of the Soviet regime. That is true. But Rykov asserted that it contained no provision for the elementary needs of health, of education, of agriculture, or of industry. And he furthermore admitted that the maximun endurance of such a budget would be two years. But to make matters yet worse, the budget as balanced contained an optimistic estimate of the receipts from agriculture, and the harvest proved those hopes seriously exaggrated. The poverty of the Soviets is also portrayed by the fact that they found it necessary to permit the resumption of the manufacture and sale of liquors with alcohol up to 30% in order to stop illicit sales and to increase State revenues.

Decline of Education

What is the effect of the State's poverty upon education—to give only one specific illustration? According to Mr. Lunacharsky, Commissar of Education, the number of elementary schools dropped from 61,000 in 1916 to 49,900, serving only 3,000,000 children, last October. Secondary schools were fewer than in 1916 by 1,500, of kindergartens, only 700 remained. Teachers' salaries in 1924 averaged $10 per month, and some were less than $5.

After the opening of the new year there were several indications of the growing urgency of the economic situation in Soviet Russia. Most striking was the fact that Russia, normally a great food-exporting nation, was bidding in the London markets for flour and seed corn. Again, she authorized the importation of large quantities of rice from India. And as late as the end of March and the first of April, it was reported that food riots in Leningrad were still continuing, and that troops were sent to the city in order to quell the disturbances. It was little wonder, therefore, that Chicherin replied to a *Petit Parisien* interviewer in the early Spring, that "the Soviet policy is now oriented solely toward economic regeneration, and the main attention is being given to the development of international economic relations."

To summarize the internal economic condition, Russia, as Rykov himself admitted, found all her plans for reconstruction tied up for want of capital. That is the very core and substance of the situation, Soviet Russia, try as she might, was utterly unable to carry into execution her extensive reconstruction program without capital. And she lacked the capital. Consequently even as it had previously proven necessary for Communism to abandon many theories in the face of realities, so it was necessary to take further compromises in order to get the all-necessary capital. And for that reason the greatest significance was attached to the

April report from Russia which asserted that the Soviet government was ready to meet the "solid elements of private capital" and to grant "credit, fiscal and juridical facilities" for its entry into the business of the country. The Bolshevists, at least so far as economics were concerned, found it necessary to become politicians first and communists second.

Remembering this urgent need of capital, let us turn to consider Russia's international economic situation. In considering this, we encounter some of the most fundamentally important facts in the whole problem of Russia, and particularly in the problem of her relationships with the rest of the world.—facts which have been most clearly brought out in the masterly study made by Harold G. Moulton and Leo Pasvolsky for the American Institute of Economics.

Russia's Foreign Debt Problem

Russia before and during the war borrowed money from foreign countries to an extent never before equalled in the history of the world. The question of Russian debts has long been a common-place in newspaper and magazine discussion. And yet surprisingly little is known about the actual situation. It may be briefly summarized as follows:

Russia now owes (principally to Great Britain, France the United States, and Belgium) the gigantic total of 13,823,000,000 gold roubles. The annual interest charges on this stupendous sum amount to 720 million gold roubles. As is well-known, the Bolshevists have on general principle refused to recognize the validity of these obligations. The other nations insist that the Bolshevists do so.

Is it physically and economically possible for Russia to pay these annual interest charges, to say nothing of retiring the principle? Two things are involved, of which the first is the balancing of the national budget and the obtaining of a sufficient surplus to meet the interest. In other words, the first requisite is to procure a budgetary surplus of 720 million gold roubles per year *within* the country. The most expert opinion is that this problem is not impossible of solution. although it will present enormous difficulties.

But at this point the second phase of the question is encountered. How can these surpluses be made available abroad? How can they be transferred out of Russia? This is precisely the sort of difficulty which so long prevented a settlement of the reparations question, and which is still causing much embarrassment in that connection. The truth is that Russia, like any other country, can make large payments to foreign countries only if she has an adequate surplus of exports over imports.

There are many exceedingly interesting facts which might be entered upon at this point in our discussion. But we must content ourselves with observing only the principal items. Pasvolsky and Moulton, after their exhaustive researches, set the amount of Russia's indispensable imports in the future at 1,620 million gold roubles per year. These same authorities estimate Russia's future export capacity, assuming a return to the pre-war scale of operations, at 1,725 million gold roubles per annum.

The situation now becomes most clear when these facts are arranged in the form of a profit and loss statement, as follows:

	Millions of roubles,
Gross operating receipts (estimated proceeds of exports)	1,725
Less operating expenses (indispensable imports and service charges)	1,620
Net operating income	105
Less annual interest charge already existing	720
Net income (without provision for new loan)	—615
Less interest on new 3-billion rouble reconstruction loan (estimated as necessary)	240
Net income (deficit) per year	—855

In other words, Soviet Russia is completely insolvent.

Assuming now that her total favorable balance of trade should be utilized for paying interest on a new reconstruction loan, such as is urgently necessary, how large a loan could be advanced with any degree of safety, on the prospect of this income? 1,400 million gold roubles would be the maximum. And the payment of interest on this amount would leave not a rouble with which to pay charges on existing debts. Expressed in reverse fashion, if only 15% of the interest charges on debts bequeathed by the Tsarist government should be paid by the Soviet, there would be nothing with which to pay interest on any new loan, and such a loan could not possibly be procured from any foreign powers.

What does this mean to the Western European powers? It means that they are in an exceedingly prickly dilemma. They urgently desire to sell their goods to Russia. But Russia cannot afford to purchase goods from them unless she can receive a reconstruction loan. The Western European powers, however, are not willing to advance a new loan unless Russia will agree to meet existing obligations. Yet if Russia should agree to meet her existing interest charges, and should start to do so, there would be no funds with which to pay interest on the reconstruction loan. And without prospect of interest, no loan will be advanced, and without a loan Russia can make no extensive purchases from those very same powers who need to sell to her! Thus it stands!

Isolation or Concessions?

There is much more to this situation which makes it even more difficult, but it is sufficient to say here that, as Moulton and Pasvolsky point out, the Russian debt problem is part of the whole world problem, and it should be dealt with accordingly. Only two other courses of action are open: leave Russia severely alone and to her own fate, or evade the debt problem for the present and exploit Russia's resources by means of concessions.

At the present time the way of isolation seems to have been rejected by all of the great powers with the exception of the United States. Simultaneously there are no hopeful indications that the statesmanlike course is going to be pursued. In other words, Soviet Russia has been in a position to realize for well over a year now, that she was greatly in danger of being forced to submit to foreign exploitation through concessions. Pasvolsky and Moulton frankly stated many months ago that if the capitalist nations "wish to see the various parts of Russia's broad domain become spheres of influence, protectorates, and finally virtually colonies of rival foreign government and capitalistic groups," they "need merely seize the present opportunity." Russia has realized her vulnerability in this regard, and she has fully perceived also that such developments would make of her another Persia, another Turkey, or another China. Does not this consideration suggest one of the very strongest reasons for Soviet Russia's increasingly bitter propaganda against the capitalist nations, and against imperialism? Does it not also suggest why Soviet Russia has been energetically making friends with Persia, Afghanistan and China, to say nothing of her flirtations with Japan and India?

To summarize and conclude, Soviet Russia has found all of her internal economic efforts hamstrung by lack of capital, and her external opportunities for healthy business with the European powers nullified by the complexities of the deadlock over the debts. Consequently, she was in a severe dilemma. Should she capitulate entirely? That would be suicide for the Bolshevists in control. Should she participate world-wide discussion of the entire post-war situation? There was no prospect of any such conference in which to participate. Should she reverse her economic policy and throw open Russia to foreign concessionists? Not unless absolutely driven to that course. Should she pursue a path of isolation? If so, her internal reconstruction would be immeasurably retarded; her ability to hold out would be far from certain, and, in any event, complete isolation would be quite impossible. What should she do? What inner policy has she, in fact, selected?

Her Decision to Face Eastwards

There would seem to be grounds for judging,—although there is not documentary evidence for asserting,—that she has decided to face Eastward, disregard the West so far as possible for the present, and attempt, not to work out salvation in lonely isolation, but rather to hold out *with China*, and preferably with all of Asia, against the blance of the world. In other words to pursue a course of minimum contact with the West, and maximum cooperation with China and the East, in the hope that she might thereby extricate herself from the deadlock with the European powers, avoid the evils of opening her land to foreign exploitation, and, by virtue sheerly of the great bulk and potential economic self-sufficiency of a Russo-Asiatic union, endeavor to out-last and wear out the opposition of all the other nations.

To be sure, she would not thereby gain golden capital from Wall Street or "The City", but is it too inconoclastic to inquire whether, with such a mighty mobilization of forces actually achieved, she might not be able to survive without it? Certainly the Bolshevists would like nothing better than to try! And with equal certainty are there cogent economic reasons to the Communist mind for making the attempt, and, hence, for looking upon China as perhaps the sole remaining path to their own Soviet self-salvation.

The Problem of Education in China

BY CHARLES KEYSER EDMUNDS

(President of Canton Christian College from 1907 to 1924; now Provost of Johns Hopkins University)

CHINA is again disturbed. Will she ever settle down? I answer: Give the Chinese time. Their problem is too complex and too large for our ready appreciation of the intricate character of the adjustments which must precede a stable and representative form of government. The present disturbances are but the "growing pains" which must accompany the adjustment of Old China to new conditions.

From most points of view education underlies the solution of China's problems. The modern student is perhaps the most important factor in the situation.

In estimating the effect of modern education in China tw facts must not be lost sight of, for they are fundamental t any consideration of things Chinese. These are: China is very large, and China is very old.

If the Chinese people were to pass by at ordinary marching rate, single file, the procession would never end. For by the time three hundred million had passed, a new generation would have been born and be on its feet walking at the other end of the line! The latest figure for the population of China is 432,600,000—more than one quarter of the population of this globe. Her mere size largely explains China's apparent slowness in becoming a modern nation.

An American once asked a native scholar if the Chinese had recorded any discovery of the western coast of North America prior to the visits of Columbus, or even of the Norsemen, to our Eastern seaboard. Looking at his questioner fixedly for a moment, the Chinese smiled and said, "Yes, quite true. In our ancient annals there is a long account of how our mariners sailed for many days over the waters now called the Pacific, and when they had gone far enough eastward to see land and the people moving about upon it, they observed their lack of clothing and exclaimed, 'No washee business here!' and all went back home."

This was a subtle suggestion that Chinese civilization is so much older than our own, that they had to wait a long time before it was worth their while to have intercourse with us, either commercially or culturally, even to the extent of helping us in our worthy effort to keep clean.

But we no longer depend solely on the Chinese laundrymen in our midst for our chief impression concerning China. Today nearly three thousand Chinese students, women as well as men, in the United States give us an entirely new idea of China, which for me has been increased by the intimate contacts of twenty years living and traveling throughout Cathay.

Transition in Education

In 1903 I saw, in the northeast corner of Canton City, the long rows of examination stalls where ten thousand candidates for the first degree could sit simultaneously each in his own cell for three days on a stretch, and by writing essays embodying frequent quotations from the classics prove his qualifications for the degree and thus for public office under the old regime.

The type of education which prepared for these literary civil-service examinations was begun before Abraham left Ur of the Chaldees and was not abolished until September, 1905, A. D. We youngsters of the West cannot realize the effect of such a force acting on such a mass for such a length of time. Naturally, it will take time to overcome it.

How do Chinese students compare with American students? The distinction between the Oriental and the Occidental lies in technique and knowledge, not in intellectual caliber. While their points of view or methods of approach differ, there is in reality no fundamental difference in intellectual character.

Formerly cherishing solely the literary excellencies of her ancient classics, China now extends her admiration to the practical realities of Western science, because in them she recognizes the instruments for the realization of new national and economic ideals.

The transition from the traditional to modern education began with the forced opening of the first five ports to foreign trade, in 1842. From 1905 to 1911 something of a modern educational system was applied with more or less success and frequent alteration. The year 1911 saw the beginning of a republic, involving necessarily a reorganization of education so far as government auspices are concerned.

The attempt to establish a democracy before adequate public education is had, and the simultaneous attempt to establish an adequate system of schools before the Government is itself sufficiently stable to handle the burden thus involved, may well be regarded—especially when the size and peculiar history of China are noted—as the greatest educational problem of all time.

Progress in Twenty Years

What progress is China showing in modern education? With only 1,300 students in all schools of a modern sort under Chinese auspices in 1905, when the old literary examination system was abolished, within four months after the decree 5,000 modern schools were opened; and to-day there are 150,000 public schools with 7,000,000 pupils in them—girls as well as boys.

On the site of the old examination stalls in Canton now stand the modern buildings of the provincial normal school in which hundreds of future teachers are trained.

How many teachers will it take to serve a system of public schools from kindergarten to university for a population of 432,600,000? Over 2,000,000. How long will it take to develop a corps of qualified native teachers 2,000,000 strong, beginning at zero both as to men and money? Surely one generation more likely two generations; and they only began in 1905.

When the old system was first displaced, quite a few of the old-style teachers shifted to the new-style schools, but it was not possible for very many of them to qualify for the modern system of instruction because of the peculiar nature of both the content and the method of the old learning.

Graduates of the mission schools have been found the most available and able teachers, but this supply is far below the demand.

Some foreign teachers have been used in the higher institutions probably not more than 600, including Japanese as well as Europeans and Americans. At one time the number of Japanese instructors in provincial middle and normal schools was quite large; but for a combination of reasons their employment has almost entirely ceased during the last fifteen years.

The number of teachers recruited from students returned from abroad has also been relatively small. While some of the ablest of these returned students have gone into school work, there is urgent need for many more of this favored group to serve at teachers.

There are probably about 200,000 Chinese teachers of a modern sort to-day, one-tenth of the total needed. The students enrolled in the normal schools, preparing to teach, number about 30,000, most of them in schools of the lower type. There are, in fact, only seven institutions offering the full higher normal course.

A most effective and rapidly growing Teacher's College, inaugurated at Nanking in 1914 by Dr. P. W. Kuo, a graduate of Columbia University, has a faculty of some twenty returned students, ten Chinese instructors without modern degrees, and two Americans. About 500 students are in attendance. This institution has already exerted a wide influence.

Government Schools

The first modern institution under the Central Government was that established in Peking in 1862 for the training of interpreters needed for the great increase in foreign intercourse following the opening of the treaty ports. In 1866 a science department was added. In 1868 Dr. W. A. P. Martin, an American missionary who had specialized in international law, was appointed to the staff, and in 1869 he became the first president of what is now the Government University of Peking. This institution includes a normal school and four collegiate departments (letters, law, science, and engineering) with a two-years' preparatory course incorporated in each of the collegiate departments. The student body approximates 2,000 and the staff numbers over 100 Chinese, mostly, trained abroad, and some seventeen foreigners.

Language schools were started also in Shanghai and Canton immediately after this Peking school. The Government next inaugurated technical and professional schools of various sorts and of varying excellence and fortune. Of these, two survivors are worthy of more detailed notice: Peiyang University at Tientsin and the Institute of Technology (formerly Nanyang College) at Shanghai. Both are national schools, supported in part by the Telegraph Administration, the China Merchants' Steam Navigation Company, and the Superintendent of Customs.

Peiyang University was inaugurated in 1887, by Dr. Charles D. Tenney, at the request of Yuan Shih-kai, then Viceroy of Chihli Province. It is, perhaps, the best Govern-

ment school in China, comprising departments of general arts and sciences, law, and engineering, with about 400 boarding students and a staff of some twenty Chinese and thirteen foreigners.

The Government Institute of Technology, located in a suburb of Shanghai (the New York of China), was organized in 1897 by Dr. John C. Ferguson. It now has over 600 students and a faculty of fifteen Chinese and six Europeans.

All three of these Government institutions of first rank were inaugurated under American presidents who had previously been Christian missionaries, while to-day the president of each is a Chinese.

A Ministry of Education is a constituent part of the national cabinet, and a Bureau of Education is an integral part of most of the provincial administrations; but the relation between the national and provincial educational authorities throughout the land varies greatly and is seldom very definite.

The school system embraces lower and higher primary schools, respectively four and three years, middle schools covering four years, normal and higher normal schools and universities, which sometimes include a preparatory course, covering two or three years. Thus the student may obtain thirteen or fourteen years' schooling.

China's immediate needs give special emphasis to education in agriculture, engineering and medicine.

Agricultural Education

Two-thirds of the entire population are engaged in some form of agricultural pursuit. The greatest and quickest economic improvement may be had in this field. Most of the methods and even the implements are the same to-day as in 2700 B. C. Though farmers for forty centuries, the Chinese have not understood two things. Indeed, we of the Wast have not known them for long. These are: the practice of the principle of selection in the breeding of plants and animals, and the combating of their parasites and diseases. Moreover, the area under cultivation could be greatly increased. The use of the grass lands for cattle and the development of dairy products offer great possibilities. Afforestation of hillsides is imperative; forat least one-sixth of China proper that is the only hope.

The Central Government maintains a School of Agriculture and Forestry in Peking. and several provinces have local experiment stations with some teaching. In Shantung and Szechwan a large number of elementary agricultural schools are reported. The institutions under missionary auspices which lead in this work are the Universities at Nankin and Peking, which received large grants from the funds raised for famine relief a few years ago.

At Canton there is the most striking example of international cooperation in such work as conducted by the Canton Christian College. The School of Agriculture there (with an annual budget of $300,000 Chinese currency) is almost entirely supported by a Chinese board of managers, maintaining a staff of some twenty experts, mostly Chinese of American training, under the leadership of G.W. of Groff, who has been supported in this work by the faculty and students of Pennsylvania State College since 1907. A great deal of investigation is being conducted and several marked advances have already been made.

Particularly striking has been the work in sericulture which has had the support of the Silk Association of America. The production and distribution of disease-free eggs of the silk worm has in five years almost completely revolutionized the production of raw silk in South China, for the healthy worm spins a cocoon which is three times the weight of that from a diseased worm, with a much stronger and longer filament. Similar work is being done at Nanking.

Engineering Schools Needed

The outstanding physical need of China is better transportation. Existing railways are practically confined to the northeastern quarter of the country. There are no trunk lines from north to south, nor from east to west. In an area equal to the United States, China has less than 8,000 miles of rail, whereas we have more than 265,000 miles. Better transportation is not only fundamental to the other industrial developments of China, but is of special urgency owing to the frequency of famine conditions. It is required, moreover, as the basis for a greater political unity, since it is exceedingly difficult for a sense of nationhood to be developed among a numerous people so widely separated by rivers, mountains, and dialects, with no easy means of travel.

Fundamental to railway and other industrial development, is the proper exploitation of China's mineral stores, especially in iron and coal.

Several Government institutions are attempting to meet the need for engineering education: Peiyang University near Tientsin, the Government University at Peking, the Mining and Engineering College at Tangshan on the Peking-Mukden Railway, the Institute of Technology near Shanghai, and in a less substantial way at Taiyuan in Shansi and at Chengtu in Szechwan. There is also the engineering department of Hongkong University, but this cannot effect the same result as an institution on Chinese soil and under Chinese control. These institutions do not adequately meet the need, and no mission college is rendering any substantial service in this field.

Educating Chinese Doctors

Disease is rife throughout China and the death rate is probably higher than in any other country; yet China has had her own practitioners of the healing art from ancient times with quite a volume of native *materia medica*. There is no legal control of the practice of medicine in China. The oldstyle practitioner has no knowledge of surgery nor of the fundamental sciences underlying modern medicine.

Private practioners of western methods are mostly in the treaty ports; among them a few Americans or Europeans, but more Japanese. There are less than 100 Chinese modern physicians educated in Europe or America, and most of these work in hospitals or medical schools, not as practioners at large. A few graduates from missionary medical school are now practicing, but they do not exceed 200 and many of them are working in mission hospitals or medials schools. On the whole, outside of hospitals and treaty ports, there are very few practitioners in China who have been adequately trained for their responsibilities.

The first hospital was established in Canton under American missionary auspices in 1835. The first Government hospital was opened in Tientsin in 1904 underarmy auspices. Although medical instruction began decades ago in an informal way in connection with the mission hospitals, organized medical schools even under missionary auspices have mostly developed since 1908.

A dozen medical schools under Protestant missions, with a total foreign staff of eighty and a modern trained Chinese staff of thirty, look after perhaps 600 students, of whom less than a hundred are women. Two-thirds of all the medical and also educational work in China under Protestant missionary auspices is conducted by Americans, Some 250 American physicians and ninety nurses, aided by twenty Chinese physicians (modern trained) and 400 assistants and 600 nurses. The value of this medical work in removing prejudice cannot be overstated, not to speak of its direct humanitarian value, which appeals to the Chinese sufficiently to draw contributions of some $500,000 Chinese currency annually for the support of medical work under American auspices. The chief centers for this medical work are Mukden, Peking, Tsinan, Chengtu, Hankow, Changsha, Nanking, Hangchow, Soochow, Shanghai, Foochow, Canton and Hongkong. Most of these are aided by the China Medical Board of the Rockefeller Foundation.

The Central Government maintains two medical schools, one in Peking and one in Tientsin, under the army. Provincial medical schools have been attempted at Tientsin, Wuchang, Nanchang, Foochow, and Canton, perhaps elsewhere also, but except at Tientsin they have not amounted to much. This Peiyang Medical School, which must be distinguished from the Peiyang Military Medical College also at Tientsin, gives probably the best medical instruction of any Government institution, It is the outgrowth of the work of Dr. John Kenneth McKenzie, of the London Missionary Society, whose skill attracted the attention of Li Hung Chang when he was Viceroy of Chihli. It is now officially recognized and supported as a Government institution. Recently it has had on its staff three French professors, supplied by the French Government. All instruction in this school is in English,

Special medical colleges under private Chinese auspices are conducted at Nanchang, Wuchang, and Canton, where there are two, although one of them is largely inspired by and dependent on the efforts of two American physicians. The total enrollment in these Government and special medical schools is about 700. They lack satisfactory hospitals for clinical instruction.

Besides the missionary medical schools there are few schools under foreign semi-government auspices, inspired probably by motives of political policy. At Mukden the Japanese maintain a promising school with a staff of twenty. At Tsingtau and at Shanghai the Germans had begun modern medical schools when the war stopped their progress. At Canton the French conduct a hospital and medical school, with three physicians detached from the French army.

Work of the Rockefeller Foundation

The whole aspect of this problem has been modified in recent years by the entrance into the field of the China Medical Board of the Rockefeller Foundation, which has

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stimulated real progress by giving aid under proper conditions to a number of hospitals throughout the country: by affording opportunities for further training and research to a number of missionary physicians when on furlough, and to a number of Chinese graduates in modern medicine; by assisting in the development of more adequate premedical courses at Changsha, Shanghai, Foochow and Canton, in connection with existing instituations; by strengthening greatly the medical school of Shantung Christian University where the medium of instruction is Mandarin; by aiding Hongkong University; and by the reorganization of the Peking Union Medical College, where the medium of instruction is English. This last instution has a very complete and beautiful plant and a large faculty.

The work of the China Medical Board has already greatly affected medical standards throughout China. But in view of the need for adequately manned hospitals all over the land, and for qualified private practitioners, only the surface of the problem has been touched.

What of the Women?

The education of her girls is one of China's most important problems. They had no place in the old system; yet when the new era dawned for the men, it dawned for the women also but not as yet to anything like the same extent. The proportion of female students is highest in the elementary grades, where they are about 1 to 2, and in the normal school where they outnumber the males nearly 2 to 1. But in middle schools the ratio is 1 girl to 5 boys, while in actual college grades the ratio is 1 to 22. There is as yet no institution under Government auspices where a girl can get instruction of collegiate grade, and only three under mission auspices. Mission schools for girls have existed since 1844, but the first modern school for girls under Chinese auspices was opened in 1897. While to-day the women of Cathay are beginning to come into their own and some have even received Government aid for study abroad, much remains to be done. The educated young woman is the greatest index of a new China.

Mission Institutions

We have already noted how modern higher education in China has been stimulated by the American missionary. To-day there are some 6,000 Protestant missionaries in China, of whom 4,800 are Americans; and 1,500 of them are giving their whole time to educational work, which includes two-thirds of all the educational work under Protestant auspices. Unfortunately, the statistics of Catholic work are not available, though there are many French, German, and Belgian Catholic missions, and a few American priests work under one or the other of these missions. Generally speaking, the Catholic missions are not so ambitious from a purely educational point of view, though they are fairly strong on industrial work, and some of the best scientific work ever done in China, both in former and in recent years, has been under French Catholic auspices.

Protestant missions in China, besides their medical work, conduct about 6,750 schools ranging from kindergarten to university, with a teaching force of 1,500 foreigners (850 of them women) and 9,600 Chinese (2,800 of them women), and a total enrollment of 176,000 students (55.000 of them girls). Most of the students are in elementary and secondary grades, with about 1,500 in college, exclusive of 1,000 theological students.

The system of Christian education is widespread. Nine-tenths of the population live in the country or in relatively small aggregates, generally clustered in hamlets and villages. These afford a small working unit with which to start in the education of the common people, whereas the training of the leaders for that more general educational conquest can best be done near the largest cities.

Although the great bulk of missionary education is still in the elementary and secondary grades, in more recent time a number of colleges have been developed.

Mission colleges, and Government institutions are concentrated at strategic points, as follows: from south to north through the eastern provinces, Canton, Foochow, Shanghai, and the neighboring cities of Hangchow, Soochow, and Nanking (all of which are connected with Shanghai by rail), Tsinan, Tientsin, and Peking. Up the Yangtsze 650 miles is the educational center of Wuchang and Hankow, which is the Chicago and Pittsburgh of China combined, being the intersection of the main trunk lines of traffic and the center of a great coal and iron region. South of Hankow is situated Changsha, the capital of Hunan Province, the last to open to foreign influence, where Yale maintains an educational and medical mission. In the far west, at Chengtu, the capital of the great province of Szechwan, there is the beginning of a university which has one of the brightest prospects in all China.

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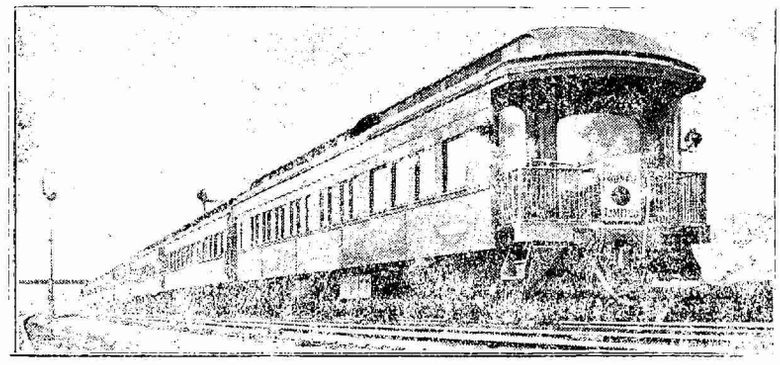

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Of eighteen mission colleges, ten are maintained as "union" institutions by several denominational boards cooperating, while two are strictly non-sectarian though Christian. These are Yali, or the College of Yale at Changsha, and Canton Christian College, which may be regarded as an intercollegiate mission, since five American institutions maintain each a representative on the faculty of that school as part of the work of their Student Christian Association or other special organization. These are: Pennsylvania State College, Teachers College of Columbia University, Williams College, University of Pittsburgh, and Washington and Lee University. Both Yali and Canton Christian College have had a remarkable degree of financial support from the Chinese.

The significant fact as to the relative importance of education under Christian auspices it that while the Christian community is a small part of the total population, 12 per cent of the Protestant community is in Christian schools, while only 1. 4 per cent of the people as a whole are in any school. With only 1/25 of 1 per cent of the population attending them, the Christian schools are producing, according to a recent survey, 25 per cent of the country's constructive leadership.

In 1923, there were in China 1,096 middle schools and 107 colleges under Chinese auspices (government or private), while under mission auspices there were 339 middle schools and eighteen colleges. The total enrollment in these 1,560 higher institutions was 202,764. Student Christian Associations were carrying on in five middle schools and eleven colleges under Chinese auspices, and in 169 middle schools and twelve colleges under mission auspices. The total membership in these 197 associations was 24, 135 or 12 per cent of the student bodies.

Though no definite action has yet been taken by the Government regarding the relation of missionary education to the Government system, the subject is of growing importance.

American missionary colleges grant the B. A. degree, under the supervision of the educational authorities of the State in America by which their respective boards of trustees have been chartered. At least six are under the Regents of the University of the State of New York and their diplomas carry the Regents' seal.

Chinese Students Abroad

An important phase of modern educational development in China is the going abroad to study of a large number of young men and women. The earliest of these went to America and England in the 70's, but the most marked exodus was to Japan after 1905 following the Russo-Japanese war. At one time there were as many as 15,000 Chinese students in Japan. Some of these on their return to China became such strenuous advocates of reform, without appreciating the difficulties which could only gradually be overcome, that the Chinese Government for a time imposed restrictions on their exodus to Japan. In more recent years the numbers have been smaller from an entirely different cause. Various actions and demands of Japan have so aroused the patriotic spirit of the Chinese students that they have now and again boycotted Japanese institutions of learning just as they have refused often to purchase Japanese goods in China.

A second factor has been the establishment of the so-called "indemnity scholarships" for study in America and the development of Tsing Hua College near Peking for the preliminary training of those awarded such scholarships. This is financed from the Boxer indemnity funds returned by the United States to China. Fifty students have come to the United States every year on indemnity scholarships since 1909. Others come on provincial scholarships, still others on their private resources. Tsing Hua has about 700 students, and a staff of thirty Chinese trained in the United States, fifteen Americans, as well as twenty Chinese without a foreign training. It has inaugurated a collegiate department of its own, so that many of these indemnity scholars now come to America for advanced work only.

Moved by this example, the Japanese, French, and also the British Governments have recently inaugurated schemes similarly financed, designed to increase the number of Chinese students who will study in their countries as well as in institutions in China under their respective auspices.

Thus is being recognized the importance of the student as a prime factor in the present as well as the future situation in China. This importance is enhanced when one considers the role China is likely to play in international relations of the future. When the late John Hay was Secretary of State, he declared that China is the key to the future of the world for several generations; while Napoleon Bonaparte, looking with eyes quite different from those of John Hay, said, "When China moves, she will move the world."

The present apparently chaotic conditions in China will in due time be corrected by the Chinese people themselves as the result of their modern education. And to the educated men also the world must look for the development of helpful international relations.—*From the American Review of Reviews.*

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News from Central China

Considerable activity is apparent in Wu Pei-fu's camp at Yochow. His original two ships have been joined by three smaller war craft, and he is reported to be daily recruiting and drilling troops. Coal for his ships and equipment for these new recruits are coming from his military friends in Hupeh, Hunan and elsewhere. The arms which he surrendered upon his retirement also seem to be coming back to him.

The office of the local Commissioner For Foreign Affairs has issued an order warning the Chinese to refrain from posting anti-British or anti-Japanese circulars in the concessions. The order states that the Japanese Consulate in Hankow has protested with the Chinese authorities against such occurrences in the Japanese Concession where the Chinese boycott agitators actually put anti-Japanese posters on the doors of Japanese stores.

Director-General Liu Wan-ming of the Hanyang Arsenal and a leading Anfu member has left for Peking on the Kin-Han train to fulfill an important official mission upon the order of Tupan Hsiao Yao-uan. As Liu is closely connected with the Seven-Province Alliance being one of the principal promoters of the scheme, considerable interest centers now in his present trip to the capital.

A telegraphic report from Kaifeng states that General Yueh Wei-tsun, Tupan of Honan, has sent a representative to Peking to interview the Chief Executive Marshal Tuan Chi-jui with regard to the Chikungshan Conference which has given rise to many political rumors. The Honan Tupan assures the Peking government that the conference was held only for the discussion of defence problems for Honan and Hupeh.

Reports received from Chungking intimate that although General Yang Sen has lost Chengtu, he has not given up entirely his hope of conquering his opponents. With over fifty thousand still heavily armed troops under his command, he has established new headquarters at Kiating, near the southern border of the province. Quiet is prevailing in both Chungking and Chengtu. People are, however, under the strong conviction that until General Yang Sen's forces are completely driven out from Szechuen, there will be further fighting in the near future.

A change in the policy of the local unions with regard to the boycott movement tends to indicate that the students in Wuhan have succeeded in convincing the people that the local merchants are not sincere in their desire to severe economic relations with Britain only. At a meeting held last Sunday, the delegates of the unions came to the agreement that their original resolution with regard to the boycott should be amended, so that the boycott will be directed against both the Britsh and the Japanese.

Military leaders of the Yangtze provinces are making headway in their endeavor to form the so-called Seven-Province Alliance to support Marshal Wu Pei-fu to regain power. It is stated that arrangements have been made to have the Alliance Pact signed by the representatives of the participating provinces in the latter part of this month or the early part of September, at Wuchang. The seven provinces are Szechuen, Kweichow, Hunan, Hupeh, Honan, Kiangsi and Chekiang.

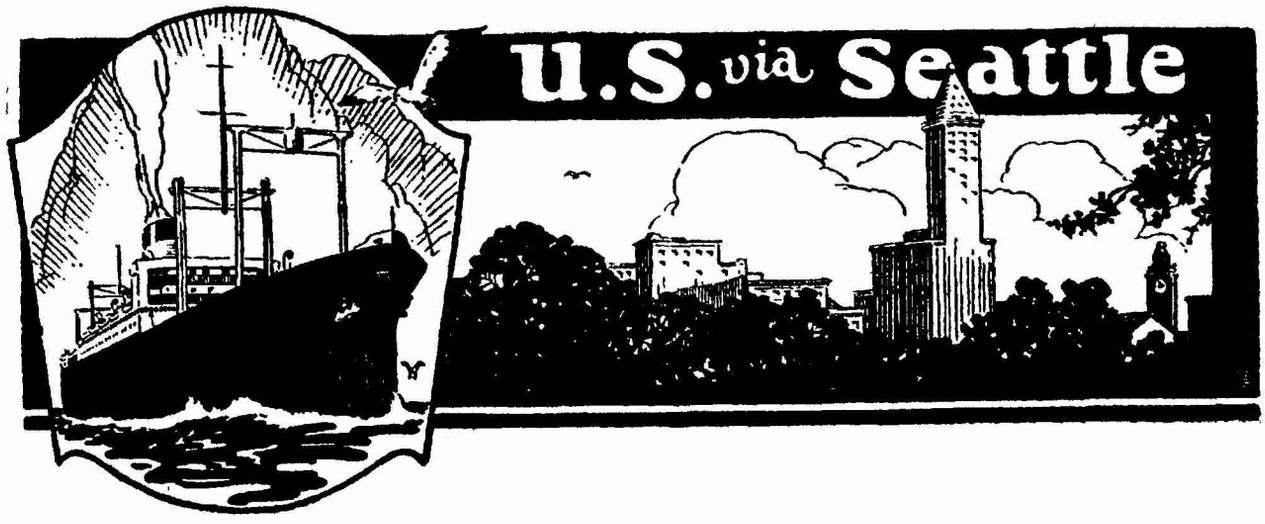
A new summer resort has been found in a mountain, called Haishan. It is located about 120 li due south of Loahokow in western Hupeh. For scenic beauty it quite equals, if not surpasses Kuling and the climate is on the whole about the same. There are only some thirty bungalows up here occupied mostly by missionaries of the Norwegian Lutheran Mission.

The propaganda speech day was held by the Hupen Boycott Association at the Taiping Association on Wednesday. The meeting was attended by a large number of girls and boys. Most of the speeches given were directed against "British atrocities" in China. Circulars are being distributed among the laborers in Wuchang and Hankow stating that the Hupen General Union of Agriculture, Labor, Commerce and Education will soon be formally established.

The local agitators are enlarging their scope of activities by sending out representatives to the interior and to cities in Western Hupeh for propaganda work. The two delegates of the Wuhau Unions have left for Shasi and Ichang with a large quantity of anti-British literature. From Shasi they will travel to Siangyany and Fanyang by way of the Siang-Sha Motor Bus Line.

A second Chinese ice-works is being promoted by a group of local merchants under the leadership of Mr. Hwang Chun-cho, manager of the Central China Engineering Works. There has been an unusually great demand for ice this summer, far exceeding the capacity of the British and Japanese ice-works now in operation. The two Chinese ice-works now being organized will be ready to supply ice next su umer.

Hankow, August 22, 1925.



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Men and Events

Both Japan and Manila are enforcing strict anti-cholera quarantine regulations on all ships coming from Shanghai.

Dr. John A. Ely of the faculty of St. John's University, who has been home on leave, has returned to Shanghai to resume his duties.

Escorted the greater part of the way by a Chinese gunboat, the steamer *Hsinchang*, with a five-million dollar cargo of silk, is nearing Shanghai from Canton.

Sincere Company and Wing On Company, two of the largest Chinese department stores in the Orient, are in the midst of their annual Autumn sale, lasting for 21 days.

A most interesting exhibition of pictures by the Chinese artist, Mr. Tchun Po Li, was held this week at the Ningpo Association Building, Ningpo Road. Altogether there were some 80 pictures in charcoal and oil.

Edward Paul Galon, a United States sailor, gunner's mate, first class, fell overboard the *U. S. S. Noa* stationed at the Standard Oil Buoy on Wednesday, August 19, and was drowned. The body will be sent back to America.

Mrs. Harold Reynell returned to Shanghai last Saturday on the *Empress of Canada* from Chicago, where she visited relatives. Mr. Hellyer, a prominent tea merchant, and Mr. E. D. Bush also returned by the same steamer.

Nine British missionaries, all workers of the Church Missionary Society in Szechwan, were captured about August 16 by a gang of bandits who raided a summer resort about 30 miles north of Chentu. Latest reports state that captives were safe and a were being "treated kindly."

Press reports state that it is practically certain that the Waichiaopu, the Ministry of Finance, the Ministry of Agriculture and the Shuiwuchu will all be represented on the Chinese delegation to the Tariff Conference this October. The appointment of Dr. W. W. Yen and Dr. C. T. Wang is also rumored. The delay in issuing the mandate is attributed to efforts of the militarists to secure the appointment of their own nominees.

Mr. Herbert Perry, British, assistant engineer in the Municipal Electric Department, Shanghai, was shot twice, a ricsha coolie and a broker's mafoo grazed by bullets and an armed robber shot to death after he had jumped into the Whangpoo during an attempted robbery of a bank messenger in the downtown business district last Friday. Mr. Perry's condition is not serious.

The Diplomatic Commission of the Tupan's office in Wuchang have decided to present to the British a demand for $790,000 as indemnities for the Chinese killed as a result of the June 11 incident, which averages a payment of about $60,000 to each dead. The demand will be forwarded to the British Consular authorities in Hankow through the Commissioner of Foreign Affairs.

Members of the Royal Air Force Association of Shanghai gave a reception to members and friends last Saturday at the club rooms in the Hongkong and Shanghai Bank building. The Association has added another souvenir to its collection in the shape of the compass from the first German scout brought down in France by British anti-aircraft guns. The compass has been loaned by Mr. R. W. Wingrove, a member of the Association.

The Rev. Dr. George Drew Egbert, pastor of the First Congregational Church of Flushing, New York, and Mrs. Egbert departed from America last month for China, where Dr. Egbert will assist in the marriage of their daughter, Miss Carolyn Louise Egbert, to Professor Randolph Clothier Failer. Miss Egbert was a graduate of Smith College with the class of '15. Later she took a Master of Arts degree at Columbia University. She taught for several years in schools in America and came to China a year ago to accept the position of instructor in the Bible in the Yen Ching College, the women's department of the University of Peking. Professor Failer is a graduate of Princeton University and is professor of psychology in the University of Peking.

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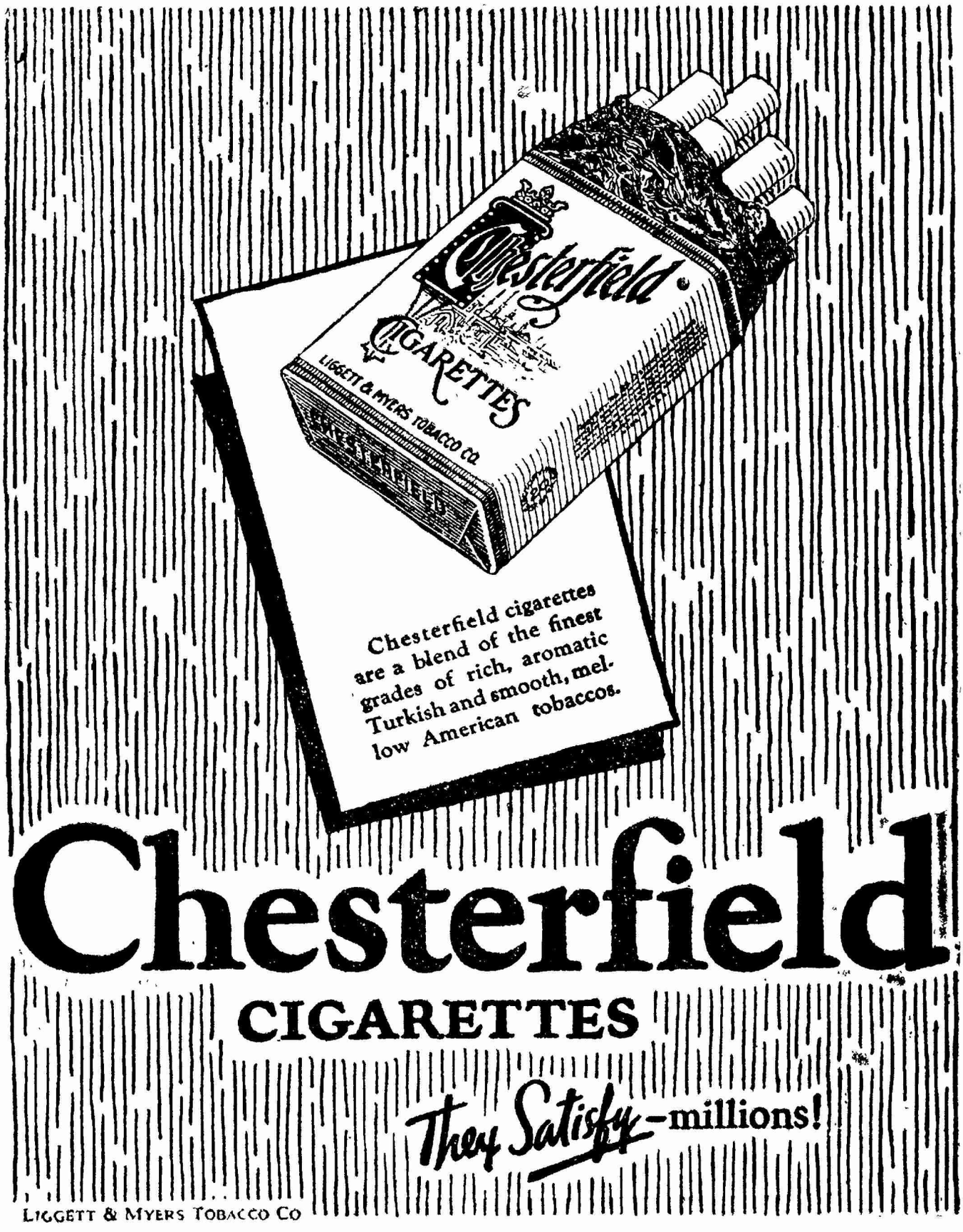
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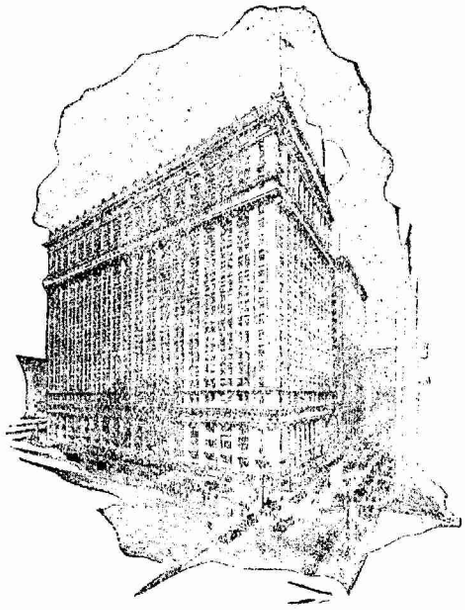

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Appointed Consul At Hankow

Mr. Lynn Winterdale Franklin

With thirteen year's of service behind him in the foreign service of the American government, Mr. Lynn Winterdale Franklin, 37 years old, was this month appointed to the American Consulate at Hankow. Beginning his governmental career when he was 24 years old as a clerk in the American Legation at Tegucigalpa, Honduras, Mr. Franklin has since represented his government at various posts, mostly in South America where he has seen service in Tegucigalpa, San Salvador, Callao-Lima, Peru, Guayaquil and Ecuador. In 1919 he was appointed a delegate of the Department of State to the Pan-American Commercial Conference and in the same year, as a representative of the Department of State, he accompanied the remains of ex-President Melendez of El Salvador from the United States to El Salvador. He was also the representative of the President of the United States during the negotiations for the selection and acceptance of the grant of land offered by the Salvadorean Government for the construction of an American Legation at San Salvador. In 1922 he attended the Conference of Central American Presidents at Fonseca Bay.

Mr. Franklin's Far Eastern service began last year when he was appointed Consul at Hongkong. He was born in Ocean Grove, N. J. and is married.

Missionaries Primarily Interested in Service

Editor, The China Weekly Review,

Sir:—

I have just read your column "The Weeky in the Far East contained in your issue of August 15th, 1925, and while in agreement with most of the opinions expressed, I find it hard to concur with the following, which I quote verbatim:

> "But if the students at an educational establishment go on 'strike' and refuse to accept the benefits showered upon them from abroad, the local head of institution has the instinctive dread that somehow or other the people at home will blame him personally for the untoward situation, and if he is not careful he will find someone else in his place to draw the salary. Under such circumstances the average head of an educational or missionary establishment is very apt to go out of his

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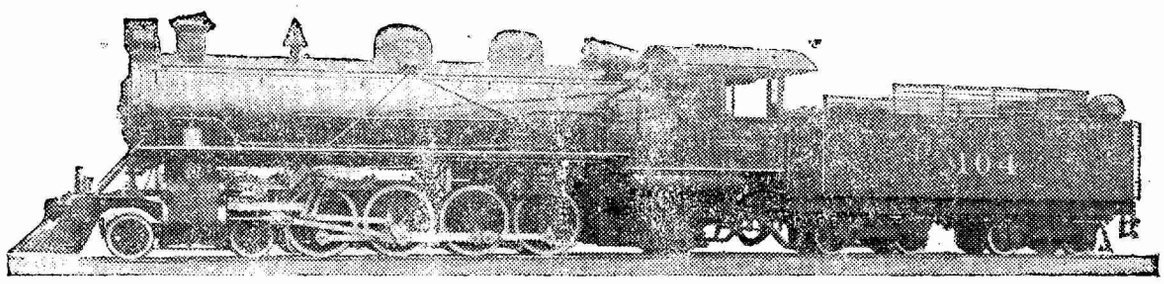

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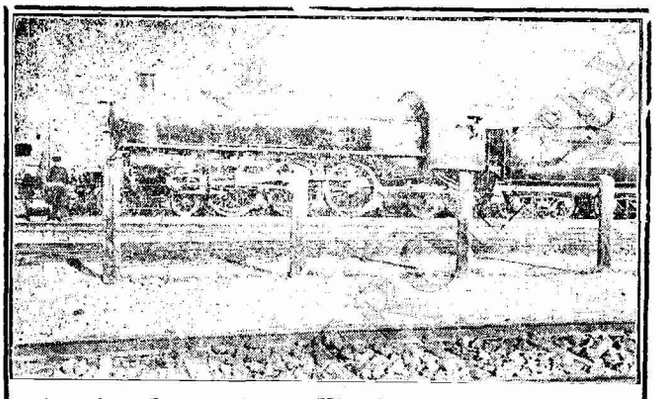

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way to do everything to smooth over things, even at times it may be at the sacrifice of "principles",—a course he is the more impelled to by the recollection that, after all, it is his mission in life to spread goodwill and to heal the wounded spirit as well as the ailing body."

No one can hope to know the heads of all American Missionary "educational establishments" in China, but I have become acquainted with one important class, the presidents of colleges and universities, from Drs. Calvin Mateer and D. Z. Sheffield down to those most recently appointed, Drs. Hume, Gowdy, and Fitch, and I fail to find in the case of any one of these men any justification for so sweeping a generalization as the one you have made.

There seems to be a popular impression in the minds of certain people in China that most missionaries are swayed by the consideration of their monthly pay check. I presume this idea emanates from those to whom the size of the salary determines the acceptability of the job, and yet how much proof can one offer to support this assumption? I can think off hand of a number of mission educators who, for one honorable reason or another, have left mission work, and immediately bettered their financial returns; and, to go further, I cannot recall a single one who has failed to do so. Several have become the Chinese Secretary in the U. S. Legation in Peking, one a professor at Yale, another the provost of a large university in the United States. I know, too, of others still in mission work who have been offered, and refused, important professorships at Tokyo University, and at Columbia, and a third the presidency of a small college in the middle west. Still others have been tendered excellent business posts. An interesting case is that of Dr. W. A. P. Martin, who accepted the presidency of the Imperial University at Peking, held the post until he considered his work completed, and then returned at greatly reduced salary to his misssion work.

I could enlarge on this subject, but I hesitate to mention names and figures. I confidently believe, however, that the mission agencies and educational bureaus in Shanghai would be able to produce sufficient evidence to show that few, if any, principals and presidents of American mission educational institutions in this country have been worried by the thought that supporters at home might blame them for the strikes caused by the students during the period since May 30, 1925. The ones with whom I have recently come in contact have been concerned with larger and more fundamental issues.

I submit the opinion, for it can only be an opinion until the long perspective of history can be turned on the last few years of China's life, that the leading Christian educators referred to above have been America's greatest contribution to its statesmenship in this land.

L. C. GOODRICH

Peking, August 18, 1925.

News from South China

The strike committee in Kongmoon has made conditions there so undearable that even their allies, the militarists, are getting tired of them. Reports from Kongmoon indicate that the militarists are preparing to take the situation entirely under control and, if possible, restore river and trade traffic between that port and Hongkong.

Through the process of import and export permits, the Kuomintang Bolshevists in Canton are trying to dictate all trade policy and limit business only among their adherents. To oppose this step, the leading business firms in Canton, through their several trade guilds and General Chamber of Commerce, have protested against this Bolshevist action and threatened to cease business altogether on August 19, unless further interference to trade is stopped.

Bolshevists in Nanning, Kwangsi, headed by Commander Li Tsung-jen of the Red Army there, on August 8, shot a newspaper editor, Chang Ing-tsao, on charge of having been in communication with enemies to the Reds.

S. S. *Wo Foo*, plying between Wuchow and Hongkong, while at Wuchow August 6, was seized by the strike committee there, apparently for communicating with Hongkong before the boycott against British goods is lifted.

Reports from the East River, Kwangtung, districts say that the waters above Sheklung have been rising since August 8, some places being three feet under water. Farmers are afraid that this season's corps will be damaged.

Shortage of coal, together with disagreements between the employers and employes regarding a new wage schedule, will make it necessary for the suspension of the water works

for Canton City. In anticipation, the residents are re-opening their discarded wells.

Canton newspapers have just been freed from the nuisance of having to publish materials furnished by various Red Army agencies through a new arrangement by which Red news will come from a central bureau under the supervision of Red commanders.

Reds in Kongmoon are still tolerating trade, according to reports from other sources. Flour may be had at $13.50 a sack of 50 pounds; kerosene oil, $8.20 a can; condenced milk, $.90 a can; sugar, $40 a picul; peanut oil, $.50 a catty; and firewood, $1.50 a picul. Residents there are still able to have pork at 70 cents a catty; fish, 40 cents; and beef, 55 cents a catty.

Telegraphic communication between Canton and Kongmoon is at present out of order, and the Bolshevists are suspicious that the wires have been cut by anti-Reds, it is said.

The Canton-Samshui railroad, which was interrupted August 8-12 owing to strike among the workers in the locomotive department, has resumed its usual running since noon of the 12th, through the mediation of the commissary of labor of the Nationalist or Kuomintang government in Canton.

The inter-port shipping commission agents in Canton, whose business is mostly with Shanghai and other well-known ports along the China coast, are complaining bitterly of the Kuomintang government trade regulations. The Bolshevists in Canton are charging $5 fees and $2 stamps for every import or export permit; and the larger firms having many transactions monthly have to pay $2,000 to $3,000 a month in fees and revenue stamps according statements issued by the commission agents.

Up to August 11, the new schedule of wages for the Canton postmen had not yet been approved of by the Director-General of Post at Peking. Reports indicate that it will be sanctioned, however, and the second strike feared may not take place.

Hongkong press reports state that lately, Chinese strike pickets at Shumchun, Chinese side, have been firing on persons attempting to cross into British territory.

Owing to the anti-British boycott in South China, 20 priests of the American Maryknoll Mission at Yeungkong, Kwangtung, have thought it best to remove to Manila, instead of remaining with the Mission for the time being.

H. M. S. *Hawkins*, flagship of the China Squadron of the British Navy, arrived at Hongkong August 15 from Weihaiwei and will replace H. M. S. *Cairo*, which is proceeding North.

In spite of the strike, several Hongkong schools and colleges are preparing to open on September 7.

For the 24 hours ended 9 a.m. August 14, there were 12 ship arrivals of which three were British, four Japanese, one American, one Dutch, one French, and two Chinese, at Hongkong Harbor. There were five departures. The total number of vessels in the Harbor at 9 a.m. August 14, was 90, of which 48 were British. All the river steamers have now resumed their running to Macao from Hongkong, but those plying Canton and Hongkong are still suspending their runs.

A petition is to be addressed to the government asking for the temporary suspension of the 15 per cent increase of rents in Hongkong, according to the local Chinese press.

It is not known yet in Hongkong official circles when Mr. Cecil Clementi, Hongkong's new governor, will be arriving there. Mr. Clementi, who is colonial secretary at Ceylon at present, may pay a visit home before coming to Hongkong. The departure of Sir. Edward Stubbs, retiring Hongkong governor to be transferred to Jamaica, has not yet been decided upon as to the date of leaving. He may remain until the arrival of Mr. Clementi.

Mr. J. E. Featherstone, Canadian Immigration Commissioner at Hongknng, passed away at his home in Kowloon, Hongkong, August 12. He had been under care of a physician for some time, although he was still active with his office work practically until the time of his death. His ashes will be sent back to Canada for burial.

The new consul-general of the United States for Hongkong, Mr. R. C. Tredwell, arrived at Hongkong August 12, relieving Mr. A. E. Carlton, consul, who has been in charge for some time. Mr. R. L. Franklin, foreign service officer, who has been attached to the U. S. Consulate in Hongkong for some time, will go to Hankow on detail.

Canton, August 16, 1925.

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,,	,,	,,	13.	,, 24,	1923.
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Heads International General Electric Co.

Clark H. Minor

Announcement has been made of the election of Mr. Clark H. Minor as President of the International General Electric Company, succeeding Mr. A. W. Burchard, who has relinquished the presidency but remains Chirman of the Board. Mr. Minor is well known in the Far East. He joined the Western Electric Company in 1902 and occupied various clerical positions, each better than the preceding until he was made assistant manager of the Kansas City office in 1906. A year later he was manager of the office in Omaha, and two years later he returned to Kansas City in the capacity of manager. From this position he was shortly transferred to Antwerp as manager of the Western Electric branch in Belgium.

In 1914 he returned to America and became Acting foreign sales manager in New York City. In 1918 he was assigned to special work in China and Japan, under the supervision of Mr. Swope, and in that year organized the China Electric Company, Ltd., for the purpose of manufacturing telephone apparatus in this country. It was toward the end of 1921, after completing his work in the Orient, that he became European sales manager of the Western Electric Company.

In the spring of 1924 he joined the International General Electric Company as vice president.

As will be gathered from this brief summary of successes in many positions, Mr. Minor has the qualities that make him liked, as well as respected. A clear-minded, keen thinker, with constructive as well as administrative ability, he is alive to the human side of business relations, a fact which has always been appreciated by those within as well as outside his own organization.

The Import Statistics for 1924 issued by the Chinese Maritime Customs show that a total of three and a half million taels worth of tin ingots were imported into China last year and of this quantity more than one-third went to Ningpo and one-fourth to Swatow. The tin is used at both these ports extensively in the making of tin-foil incidental to the manufacture of "joss" paper. Most of this tin comes from the Straits, transhipped at Hongkong. Tin is worth about sixty Haikwan taels per picul, but a curious item in the list is the following: "From U. S. of America (including Hawaii), Piculs 1,682 valued at Haikwan taels 5,157", which is less than four taels per picul.

U. S. Foreign Investments Now Total Gold $9,500,000,000

THE dependence of foreign nations upon the American money market has been emphasized by the latest government calculations dealing with foreign loans, which show that foreign securities publicly offered in the United States during the first six months this year amounted to $551,591,000. No loans to foreign governments were offered in Great Britain for the same period, as England adopted a restrictive policy, with the recent return to the gold standard and, in fact, was forced to arrange with the Federal Reserve System and American private financial interests for the establishment of $300,000,000 in credits with which to maintain the pound at parity.

In a review of the situation by Theodore R. Goldsmith, of the Finance and Investment Division of the Department of Commerce, estimated that after allowance was made for refunding issues, total American foreign investments now have reached $9,500,000,000, possibly triple the amount just before the World War. This total does not include the $12,000,000,000 of war-time debts of foreign nations to the United States Government, the bank credits of $300,000,000 established in Great Britain and $40,000,000 in favor of Denmark, or the recent $50,000,000 credit to Italian banks, all to be employed for the support of their currencies.

Forges Ahead as Creditor Nation

The almost startling rapidity with which the United States has jumped to the forefront as a creditor nation illustrates the powerful influence which America now has in the fiscal affairs of the governments of other nations as well as in the affairs of many of the foreign industrial corporations.

It is generally believed that Great Britain will be forced to continue her restrictive policy with regard to foreign loans for another eighteen months or two years, as she cannot spare much capital during the early fight for the maintenance of the gold standard. As evidence of this has been supplied by the recent suggestions that considerable loans might be sought here by Australia, a self-governing division of Great Britain, although under more normal conditions such loans are usually obtained within the United Kingdom. Canada also has obtained about $65,000,000 of new capital in the United States during the last six months.

It is believed here that the total of American foreign investments, particularly if the wartime debts of France, Italy and Belgium to the United States are funded during the next few months, as now seems probable, will increase to well over $10,000,000,000 by the close of the calendar year 1925. There have been reports that a number of loan proposals are awaiting the debt funding negotiations which are to take place here in August and September. If the funding negotiations are successful it is believed there will be two results: Removal of the objection of the Coolidge Administration to the flotation of certain desired loans and flotations by the foreign governments at lower interest rates than now are possible.

How Loans Were Distributed

According to the Commerce Department estimates of American total foreign investments, exclusive of the $12,000,000,000 of war-time inter-governmental debts are distributed as follows:

Government guaranteed obligations: Canada and New Foundland, $1,125,000,000; Latin America, $915,000,000; Europe, $1,665,000,000; Asia and Oceania, $442,000,000; total, $4,147,000,000.

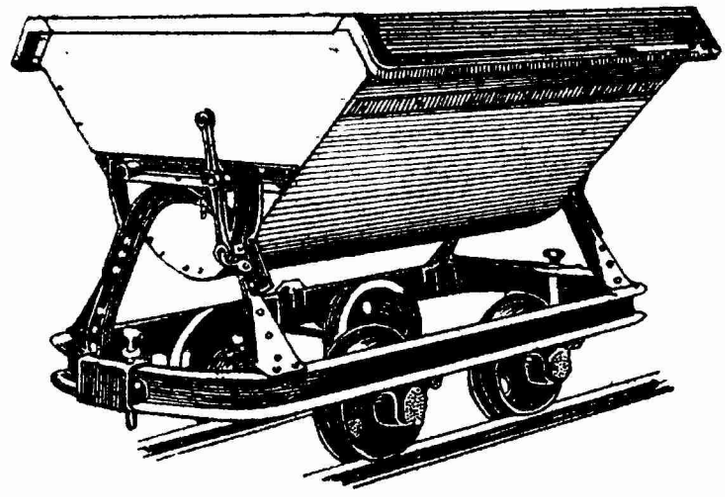
Industrial securities and direct investments: Canada and New Foundland, $1,420,000,000; Latin America, $3,225,000,000; Europe, $450,000,000; Asia and Oceania, $280,000,000; total, $5,375,000,000.

These figures give a total of both classes of foreign investments of $9,522,000,000.

Details of the flotations during the first six months of 1925 are given by Mr. Goldsmith. The par value of foreign securities publicity offered in the United States, he says, amounted to $551,591,000 as compared with $379,700,000 for the corresponding period of 1924.

The amount of new capital, arrived at by deducting refunding issues from the total, amounted to $437,266,000, or more than double that for the first six months of 1924. There was also a large increase in the number of issues. Up to July 1 of this year, sixty-three foreign issues were brought out as compared with forty issues offered during the first half of 1924.

INDUSTRIAL RAILWAYS



KOPPEL INDUSTRIAL CAR & EQUIPMENT CO.

C. P.O. Box 743:No. 2 Canton Road, Shanghai
Manila Iloilo

The volume reached did not, however, keep pace with the total attained during the last half of 1924, amounting to $830,087,000, of which $652,087,000 represented new capital.

Loans to governments and enterprises enjoying a governmental guarantee again formed a large proportion of the total, amounting to $416,671,000 of which $312,171,000 was new capital. Of corporate issues totaling $134,980,000 new loans accounted for $125,095,000. These figures represent a marked increase in the proportion of foreign corporate financing. During the entire year 1924, corporate loans amounted to $150,000,000, or less than one-seventh of the total, while they represented about onefourth of the total for the first half of 1925. The increase in the actual amount of such issues over the first half of 1924 was about $85,000,000. European corporations received $48,100,000 most of which will be used as working capital. German industry alone received $36,000,000 for this purpose.

Europe Largest Borrower

Europe was the largest borrower during the first half of 1925 with a gross volume of loans amounting to $237,600,000; Latin America came second with $151,081,000; and Canada took third place with $131,910,000. Whereas Asia led last year with $125,000,000, consisting of one loan to the Japanese Government, it was fourth this year, having received only $31,000,000.

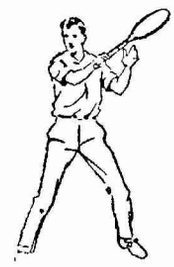
No loans to foreign Governments were offered in the United Kingdom so far this year. British dominions and colonies floated loans in London amounting to £28,123,800 during the first half of this year, while foreign corporations received £5,187,000, making a total for all foreign loans of only £33,311,700 ($16,000,000) or about one-third of the amount offered in this country. Foreign loans publicly offered in the United Kingdom during the first half of last year amounted to £61,201,600 ($244,800,000), of which £37,955,500, went to the Dominions and possessions, while £16,025,200 were for the account of foreign governments and foreign corporations received £7,220,900.

Some Loans Not Included

The estimates given include only foreign securities publicly offered in the United States. A number of loans, placed similarly, such as $5 000,000 State of Bremen one-year notes, have been excluded. Bankers' credits, such as those for $40,000,000 to the Danish Government for exchange stabilization; the $50,000,000 revolving credit to the three Italian banks of issue for the same purpose, and the $300,000,000 credits to the Bank of England and the Government of the United Kingdom in connection with the return to the gold standard, have been omitted. In addition, some direct industrial investments have not been included.

Our foreign investment at the end of 1924 amounted to $9,090,000,000, according to the estimate based upon the best information available.

Although the reduction in outstanding foreign loans during the first half of 1925 through the operations of sinking funds and the repayment of maturing obligations has been considerable, other investments and loans placed privately doubtless would have offset these. Therefore, it seems safe to assume that our foreign investments have increased by at least $437,000,000, the amount of new capital flotations so far this year. *From the New York Times, July 19, 1925.*



It Pays to Play!

It also pays to get reliable rackets and gears from

Squires Bingham Co.
SHANGHAI
Send for sportsman's price list

The Week in the Far East

When the student agitators made use of the strikes at the Japanese cotton mills and the May 30 affair which followed them as political levers they started something they did not foresee. When the Chinese working class once became inoculated with the strike fever it did not concern itself very long whether their employers were foreigners or Chinese, and the past week has seen many examples of the fact, of which the indications are that there will be many more, that there is seething discontent among the workers in Chinese industrial establishments, more so than among the employees in foreign industrial establishments, and this is only natural, for, despite all that idealists both in this country and abroad have to say about how foreigners are exploiting Chinese labor, the truth is that foreign employers of labor have always paid their employees more than Chinese employers have, and in nearly all instances have observed shorter working days.

The Commercial Press, a large Chinese printing office on the outskirts of the Foreign Settlement of Shanghai, which has grown to be one of the large printing offices in the world as a result of catering to the wave of education that has swept through this country during the past quarter century—and, incidentally, be it said has profited from reprinting and translating foreign, particularly American, text-books—and which was a very prominent contributor towards strike funds at the time the employees of foreign printing establishments were out on strike, now finds itself with a most determined strike by its own employees on its hands. Among the demands that the strikers make are that their union shall be recognized and that there shall be very substantial increases in wages—these among many others. The latest development in the strike is that the editorial staff has joined its more humble fellow-workers.

In the meantime the Japanese cotton mills generally at Shanghai have come to terms with their workers and a partial resumption of operations has been consummated. However, these resumptions are only to the extent that the mills have been able to install their own power plants. Nearly all the cotton mills, previous to the strike were dependent on the Municipal electric plant at Shanghai, for their power, and the greater part of the Japanese mills must remain idle pending the settlement of the strike at the Municipal electric plant. The Japanese are trying to bring pressure to bear on the Municipality through political channels to have the power turned on at their mills, but the heads of the Electricity Department have all along remained firm in their attitude that they are able to "carry on" without Chinese help so far as domestic supply is concerned, and beyond that they are not inclined to answer any "demands" from the strikers.

Japan at the Forthcoming Tariff Conference

The conference to be held at Peking October 15, to revise the Chinese customs tariff, promises, from indications which have recently developed, to develop into quite an interesting affair, apart from the subject of the rate of tariff or the question of China's autonomy, to which Japan has already indicated her opposition. Ever since the inauguration of the Chinese Maritime Customs, the British have been in control because of the fact that Britain had greater trading interests in China than any other country had. The margin by which the British led has been decreasing considerably in recent years, while on the other hand the trade of Japan in China has been considerably increasing. In fact, Britain's lead in Chinese trade, is entirely due to the inclusion of the trade of Hongkong, a large proportion of which is Chinese. Leaving out Hongkong, Britain's trade with China in 1924 was about two and three-quarter million taels as against Japan's four and three-quarter million taels.

The Japanese are now preparing to ventilate this matter of British predominance in Chinese customs control at the conference. The Japanese, so it transpires, will argue that they would, as a matter of fact, be entitled to name the Inspector General of Customs, but, for the present, they will merely argue to this point and then insist on certain concessions. Last year's service list of the Maritime Customs shows that there were on the staff a total of 8259 employees, foreign and Chinese, and that of this number 1295 were foreign, most of them of British nationality. The Japanese contend that in view of the important place their trade with China occupies in the entire foreign trade of China and Japan's resulting large contribution to the Chinese customs revenue they are entitled to have more voice in the designation of the custodian banks and to be accorded a larger representation in the customs administration; in other words, that instead of so many British being employed, some of them shall be dropped and their places taken by Japanese.

Ministry of Education Employs Female "Bouncers"

What might described as another example of the "new spirit" in China was contained in a recent Peking despatch to the *N. C. Star*, as follows:—The recalcitrant students of the Girls Higher Normal School here, who had steadfastly refused to move out from the school dormitories after the whole institution had been dissolved by the Ministry of Education were finally ejected from the dormitories yesterday afternoon, not by armed policemen, although there were about forty of them present, but by a group of husky maids who were specially hired by the Ministry of Education to do the rough handling. The girls are now at the Preparatory Department of the School, where they were dumped by the same maid servants who ejected them from the dormitory. With the ejection of the girl students, the authoriries of the Ministry of Education have taken possession of the school premises and set up the Preparatory Office for the conversion of the school into a college for women. In the general scuffle there was one girl student who was seriously hurt. She is now in hospital for treatment. The girls dumped in the Preparatory Department are now threatening to go on a "hunger strike" so as to force the hands of the government authorities.

British at Hongkong Ask That Canton Observe Treaties

At a mass meeting held by the English community at Hongkong August 25 resolutions were passed asking the British Government to send an ultimatum to the Canton authorities, instructing them to open Canton as a treaty port for trade between Canton and the foreign treaty powers in full accordance with the provisions of the treaties, to expel all Bolsheviks from Canton and Kwangtung, to disarm and disband the Whampoa College cadets, who it is claimed are, in reality, Bolshevik trained troops, and to send back to their native places those who are not Cantonese, to cease the boycott of British goods, and to cease anti-British propaganda under threat of a complete naval blockade by Britain of Canton and the neighboring waters, and such other action as His Majesty's Government may consider necessary.

Another Peking Newspaper Gets Into Difficulties

When several months ago, owing to disagreement in the internal management of the *Far Eastern Times*, a bi-lingual paper at Peking, Mr. Lenox Simpson ("Putnam Weale") announced that he was withdrawing from the newspaper which he founded several years back, the opportunity presented itself for Mr. Eugene Chen, a Chinese with a British education, who was not without experience in foreign journalism in Peking, to start a new daily bi-lingual paper, known as the *Min Pao*. The paper from its very inception has been filled with the trenchant, almost violent, type of writing which has always characterized Mr. Chen's effusions, which it may be mentioned were the cause of a former venture, established about a decade ago, the *Peking Gazette*, being suspended. Now the *Min Pao* has hit the shoals, not as the result of any editorial expression of opinion, but because it published "under reserve" a report of the death of Chang Tso-lin, familiarly referred to as the Mukden war lord. This paragraph incensed Chang, and probably as much with the intention of testing his influence at Peking as anything else, he lodged a protest. The result has been that the Peking authorities have closed down the *Min Pao*, and it is now also reported that Eugene Chen has been placed under arrest. It may be recalled that when Mr. Chen was thrown into prison at Peking some years ago because of articles which had appeared in the *Peking Gazette*, "Putnam Weale" was most active in getting him released.

Russian Airplanes Make Successful Trip from Moscow to China

China has in recent weeks been very much in the world's eye in connection with airplane trips. At the moment of writing, the Italian fliers are expected at Shanghai and the Japanese planes recently crossed China enroute to London. The most spectacular of the flights was, undoubtedly, that of the Russians, who accomplished the four thousand odd miles from Moscow in a little over sixty flying hours. Four planes made the trip, all successfully—all of Russian manufacture. The expedition divided into two groups at Peking, two of the machines proceeding to Japan and the others coming on to Shanghai.

New Books and Publications

The Status of Turkey Today

Modern Turkey: By Eliot Grinnell Mears: New York: The Macmillan Company.

The Turks came from Mongolia, their original home. They left the wilds of Mongolia in many groups and at diffrent times. Some came to Central Asia before the Christian era. The Turks occupying Turkey are known as Ottoman or Osmani Turks, who occupied Anatolia during the days of the disintegration of the Arab Sultanate. Their ancestor, Tugral, joined one of weaker sects of the Arabs and, defeating the other tribes, obtained the relics of the Prophet. His son Osman Ghazi became the first Turkish Sultan. The Turkish tribes have been great fighters and when they joined the Osmani tribe, their power became a terror to Europe. During the first three hundred years of the Turkish rule they extended their power up to the walls of Vienna and established one of the mightiest empires the world had ever seen. When the Sultans became profligates and forgot the art of state craft, decline set in. Turkey has been shrinking during the last three hundred years. The last real Sultan of Turkey was Abdul Hamid who was deposed by the Young Turks in 1908. During the Great War Turkey forgot her old supporter. Britain, and threw her lot with the Central Powers whose defeat crushed Turkey also.

Mustapha Kemal, the leader of modern Turkey, has once more saved the face of the Empire and by converting the corrupt monarchy into a Republic has given a new life to the Turk. He has instituted against reforms, but how far he will be able to hold his own against the orthodox element to whom there is no better book of knowledge than the Koran and no better civil authority than *hadis*, is open to doubt. The Turks number only twelve millions. They rule a people composed of conflicting elements and interests.

Turkish rule has always been despotic. The Turks came to Arabia over five hundred years ago and left it only eight years ago. During this long reign they did not try to improve the lot of the Arab at all. Arabia, Mesopotamia, Palestine did not make any progress in art or learning under the Turk.

The book under review is a collection of essays on subjects touching Turkey written by a number of scholars. The article on Armenians written by Boghos Nubar Pasha, an Armenian himself, is illuminating and throws light on the question. They are a highly cultured people who have distinguished themselves in literature, art, music, painting, sculpture and in the theater. St. Sophia was restored by an Armenian, who reconstructed its great cupola about the year 990. They represented before the war two and one half million in the total population of twenty two million in the Ottoman Empire. They produced some of the best statesmen in Turkey. Though the Armenians remained so long under Turkey, they were always looking for an opportunity to rise against their rulers. When Russia invaded Turkey in 1878, they joined the Russians. It was this love of liberty which brought on them the terrible massacres by the Turks.

The Jews and the Greeks have also contributed to the building of the Ottoman Empire. Constantinople is in fact a Greek city and its whole grandeur is due to the Greek brain. Without the able co-operation of the Jews and the Greeks, the Empire would have remained poor. In this book Khairudeen Barbosa, the famous Turkish admiral, is described as a Greek which is not a fact. He was not a Turk, but not a Greek also.

A lot of valuable information on Turkey is found in this book. The figures are up-to-date and the documents quoted are very important.

H. P. SHASTRI

Directory of Protestant Missions

The 1925 Directory of Protestant Missions In China, composed of 452 pages, and edited for the National Christian Council is a thorough and comprehensive volume and will be indispensable to anyone desiring information along that endeavor. The book is divided into four parts: (1) Societies, (2) Geographical grouping of the missionaries. (3) Alphabetical list of missionaries with titles and names, degrees (and wife), initials of the societies and postal address. In the fourth part a list of National or Interdenominational or Union Organizations and Committees of importance is given. The price to missionaries is $2; to others, $3.

In the United States Court for China

HELEN HOWARD, Plaintiff,
vs
Claude E. Howard Defendant.

Cause No. 2668
Civil No. 1043
SUMMONS

The President of the United States of America

To the United States Marshal for China and his Deputies—

GREETING:

You are hereby commanded to serve this Summons and a copy of the complaint in the above entitled action upon the defendant

Claude E. Howard

and to notify him to be and appear before this Court on or before the sixtieth day after service hereof to file his written answer on oath.

(SEAL) WITNESS the HONORABLE MILTON D. PURDY, Judge of the United States Court for China, at Shanghai, China, August 24, 1925.

L. T. KENAKE
Clerk.
Assistant

Excerpt from Regulations, Section 8: On proof of due notice, judgment by default shall be procured against any defendant failing to appear and file his written answer as required.

In The American Consular Court for the District of Shanghai, China

ALEXANDER RENNER, Plaintiff,
vs.
JEROME A. HENLEY, Deceased.

Cause No.
Civil No. 210
SUMMONS

The President of the United States of America

To the United States Marshal for China and his Deputies—

GREETING:

You are hereby commanded to serve this Summons and a copy of the petition in the above entitled action upon the defendant—

Jerome A. Henley

and to notify him to be and appear before this Court on or before the sixtieth day after service hereof to file his written answer on oath.

N. E. LURTON
United States Commissioner,
(SEAL) Ex-Officio Judge of the Consular Court
for the District of Shanghai, China.
August 25, 1925

Excerpt from Regulations, Section 8: On proof of due notice, judgment by default shall be procured against any defendant failing to appear and file his written answer as required.

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price August 20th.	Sale Price August 27th.	Approx. Yield to Maturity August 27th.
Duke-Price Power Co., Ltd., 1st., Mtge.	6	July 1, 1949	102	102	5.85
Szecho-Slovak Govt. Sinking Fund Loan	8	Oct. 1, 1952	99⅛	99⅛	8.05
Cuban Domin. Sugar Co. 1st Lien S. F. Loan	7½	Nov. 1, 1944	96	96½	7.85
Finnish Guaranteed Municipal S. F. Loan	6½	Oct. 1, 1954	90	90	7.30
Republic of Chile S. F. Loan	7	Nov. 1, 1942	101	101¼	6.85
Paris Lyons Mediter. R. R. Co. S. F. Loan	6	Aug. 15, 1958	78¼	78⅛	7.85
Department of Seine S. F. Loan	7	Jan. 1, 1942	88½	89½	8.15
French Government S. F. Loan	7	Dec. 1, 1949	91	92	7.75
German Government S. F. Loan	7	Oct. 15, 1949	96⅜	97¼	7.25
Kingdom of Norway S. F. Loan	6	Aug. 15, 1943	100⅓	100⅜	5.95
New York Steam Corp. Cum. Pref. $7 Stock	7%	Stock	101⅜	101⅜	6.88
Willys-Overland Co. 1st (Closed) Mtge. Loan.	6½	Sept. 1, 1933	101½	101½	6.25
Portland Electric Power Co. 7% Cum. Prior Pref. Stock	7%	Stock	100	100	7.00
Can. Pac. R. R. Co. Debenture Stock	4	Perpetual	80¼	80⅜	4.95
Belgian Government S. F. Loan	6	Jan. 1, 1955	86⅝	87	7.05
Andes Copper Mining Co. Debentures	7	Jan. 1, 1943	98¼	98¼	7.25
German General Electric Co. S. F. Loan	7	Jan. 15, 1945	93½	93½	7.65
Saxon Public Works Inc. 1st Mtge. Guaranteed S. F. Loan	7	Feb. 1, 1945	91½	92⅛	7.75
Cuban Northern RR. Co. 1st Mtge. Loan	6	July 1, 1966	92½	93	6.50
Dodge Brothers Inc. Debentures	6	May 1, 1940	95	96⅜	6.40
Republic of Finland S. F. Loan	7	Mar. 1, 1950	94	94	7.55
Anaconda Copper Mining Co.	7	Feb. 1, 1938	102	102¼	6.75

The National City Company International Bank Building No. 2A Kiukiang Road, Shanghai China.

These quotations are subject to confirmation by the National City Company of New York.

GENERAL NEWS SUMMARY

August 22—American financiers are holding conferences with Japanese and European financiers to assist China in plan for general financial reorganization through the Consortium if Tariff Conference is a success——Coolidge signs agreement with Belgium for payment of the latter's war debts——Sydney seamen strike on all overseas ships.

August 23—Eight British missionaries reported kidnapped by bandits in Szechuen province——140 bandits raid town of Kang-Lu, killing one policeman, kidnapping three and looting property worth $10,000——Peking still discussing agenda for Special Tariff Conference——Employes of Commercial Press, large Chinese printing establishment, strike for more pay and shorter hours.

August 24—The French bank strike is spreading to the postal employes——Marshal Petain goes to Morocco where the French cause looks brighter——Stinnes concern sells the great newspaper, "Deutche Allgemeine Zeitung".——Austrian shipping strike continues to grow.

August 25—3,000 return to work at Japanese cotton mills with 14,000 more to return tomorrow according to agreement——American fleet says farewell to New Zealand——French expell nine "Reds"——Students' Union orders all students to return to school this fall——Churchill of England and Callaux of France confer on war debts.

August 26—Four foreigners arrested and $45,000 worth of arms are seized in French Concession, Shanghai, when secretary of General Wong Tse-hua is caught with $30,000 in notes——12,000 additional workers return to Japanese cotton mills——Drastic move planned to break ship strike in Australia.

Shanghai Exchange for Week Ending Wednesday, August 26, 1925.

By Maitland, Fearon and Brand

Exchange:—The London price of silver since our last circular, at 32 7/16d for ready is 32 7/16d. for forward is ⅛d. and 1/16d. down for these deliveries respectively. Our official rate for T/T on London at 3/2 1/32d is ¼d. up. The market has again been supported by speculative sales of Gold Yen. There has been more exchange business doing in connection with Imports and Exports and the market has ruled steady at about ¼d. oven official quotations. Our stocks of silver are lower, but there are about 5000 bars on the way from America which may be landed at Shanghai.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver ....Tls. 61,105,000 an increase of Tls. 1,700,000.

Chinese and Mexican Dollars .....$ 49,080,000 an increase of $ 350,000.

Estimated value Tls. 96.442,000 as against Tls. 84,366,000 held at this time last year.

	Average rates for July	Thursday Aug. 20	Friday Aug. 21	Sturday Aug. 22	Monday Aug. 24	Tuesday Aug. 25	Wednes. Aug. 26
Bk's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	3/1.720	3/2	3/2	3/2 1/32	3/2 1/32	3/2 1/32	3/2 1/32
O/Dfts. ,,	—	3/2 1/16	3/2 1/16	3/2 1/16	3/2 1/16	3/2 1/16	3/2 1/16
4m/s ,,	—	3/2 1/32	3/2 1/32	3/2 1/32	3/2 1/32	3/2 1/32	3/2 1/32
T/T India	207.840	209 1/32	209 1/32	210 1/32	210 1/32	210 3/32	210 1/32
T/T France	1,621.600	1635	1640	1645	1645	1645	1655
T/T N. Y.	76.430	77	77	77 1/32	77 1/32	77 1/32	77 1/32
T/T Hong	74 805	75	74 3/32	74 3/32	74 7/32	74	75
T/T Japan	53.970	53 1/32	53 1/32	52 3/32	52 3/32	52 3/32	52 3/32
T/T Batavia	188.740	189 1/32	189 1/32	190 3/32	190 3/32	190 1/32	190 1/32
T/T Straits	74.770	74 1/32	74 1/32	73 3/32	74	74	74
Bk's buying rates							
4m/s B/L. Cred. D/A	3/2.835	3/3 1/32	3/3 1/32	3/3 3/32	3/3 3/32	3/3 3/32	3/3 1/32
4m/s ,, D/P	—	3/3 1/32	3/3 3/32	3/3 1/32	3/3 1/32	3/3 1/32	3/3 1/32
4m/s ,, D/A	3/3.210	3/3 1/32	3/3 5/32	3/3 3/32	3/3 1/32	3/3 3/32	3/3 3/32
4m/s B/F. C.,D/A,D/P	1,699 600	1710	1715	1720	1720	1720	1730
4m/s N. Y. Lc.	78.180	79	79	79 3/32	79 1/32	79 3/32	79 1/32
4m/s ,, Does	—	79 1/32	79 1/32	79 6/32	79 3/32	79 5/32	79 1/32

Based on Daily Official quotation, higher rate taken on rising Market, lower when falling. Bullion.	Aug. 20	Aug. 21	Aug. 22	Aug. 24	Aug. 25	Aug. 26
*London Price of Bar Silver per oz. (English Standard 925 touch) Pence.	32 1/32	32 5/16	32 5/16	32 1/8	32 1/32	32 5/16
**N. Y. Price of Bar Silver per oz. (Pure)	G.$. 70 1/8	G.$.70 3/8	G.$.70 1/2	G.$ 70 1/2	G $.70 1/2	G.$.70 5/8
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch)	Tls. 266 80	Tls. 255 10	Tls. 254 00	Tls. 255 80	Tls 255 80	Tls. 254 00
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	111 00	111 00	111 00	111 00	111 0	111 00
Shanghai Mexican Dollars per $100	72.5375	72. 575	72.60	72.625	72.675	72.6875
Native Bank Rate of Interest (Call-money)	1%	1%	1%	1½%	1½%	2%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	5%	London on Paris	T/T 103.84
Bank of France rate of discount	6%	New York on London	T/T 485 1/32
London open Market of Dis. 3 m/s.	3 1/16%	Bombay on London	T/T 1/3 5/32
,, 4 ,,	3 7/8%	Hongkong on ,,	T/T 2/4 1/32
,, 6 ,,	4 1/16%	Kobe ,, ,, ,,	T/T 1/8 1/32

Foreign Trade of China, 1924.

The following is taken from the *Report and Abstract of Statistics* (Part 1) for 1924 which has just been issued by the Maritime Customs. It is part of the summary written by the Statistical Secretary, Mr. L. de Luca:

(*Continued from last week*) The chief countries exporting softwood to China were the United States (162,024,552 superficial feet) and Canada (28,427,750 superficial feet), while hardwood arrived principally from Hongkong (1 462,-056 cubic feet), Japan (145,242 cubic feet), the Philippine Islands (10,777 cubic feet), and Singapore (9,660 cubic feet).

Sugar

Sugar deliveries for 1924 have been about 40 per cent below the preceding year's figures, resulting in heavy losses among sugar dealers, which are estimated at about 1 million Shanghai taels and were incurred mostly on "forward" purchases. At the beginning of 1924 the price quoted was *Shanghai* Tls. 11.50 per picul, but after advancing to Tls. 12 during February, it began to decline, until the year closed with the price as low as Tls. 8.30 per picul. The year was also remarkable for more direct competition than usual from both Japanese mills and Java, which, of course, contributed to lowering prices and cutting down profits. The total importations of sugar during 1924, as compared with 1923, were: brown, 1.9 million piculs (an increase of 900,000 piculs); while, 2.5 million piculs (an increase of 1.1 million piculs); refined, 4.4 million piculs (an increase of over 1 million piculs). The countries of origin were Hongkong (4,641,805 piculs), Japan (2,296,757), and Dutch Indies (1,289,233 piculs).

Aniline Dyes and Artificial Indigo

Although the Customs statistics show a good advance in the importation of *Aniline Dyes*, the year's trade cannot be considered successful from a business point of view. Floods and civil warfare interfered with the development of this trade; and native merchants, who had big amounts outstanding in the interior, were unable to collect their money and could not dispose of the big stocks lying in Shanghai, which have had to be carried over to the following year. Prices remained about the same as during 1923, with a tendency, however, to decline. As an offset to these unsatisfactory conditions, there was an increasing consumption of dyes by textile factories in and near Shanghai, which is significant of the steady development of the textile industry in China. The total importation of dyes during the year under review was valued at Hk. Tls. 10,610,583, whilst the total value of the previous year's importation was Hk. Tls. 7,943,321. It may be said that about 90 per cent of the dyes imported are of German origin, the remaining 10 per cent being shared by American, Japan, England, Switzerland, and France.

A depleted market at the beginning of the year and the profits which were realised in consequence brought about a firm demand for *Artificial Indigo*, the importation of which commodity rose from 256,102 piculs in 1923 to 421,214 piculs during 1924. Prices declined as a result of the increased importation; in fact, the price for German indigo fell from *Shanghai* Tls. 64 per picul in January to Tls. 48 in December. Moreover, the market was affected by the same causes which interfered with the trade in aniline dyes, and the year closed with heavy stocks in hand. Although it is reported that Germany supplies about 60 per cent of the artificial indigo imported into China, a notable feature of the year has been the keen competition between American, British, French, German and Swiss manufactures.

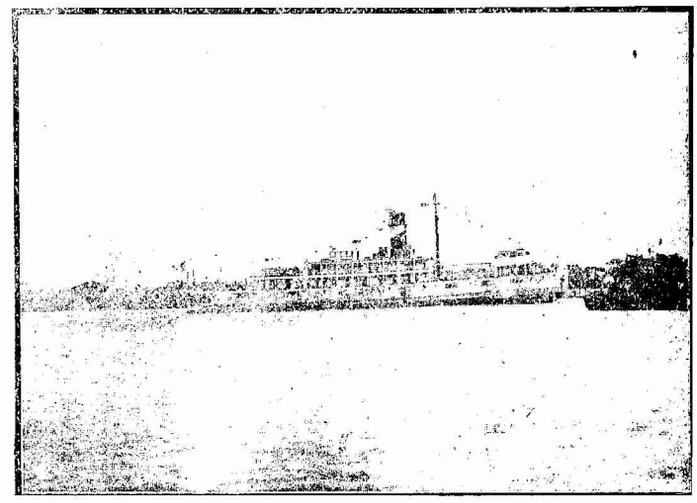
Sundries

The following comparative table, in which the principal sundries imported into China from abroad during the years 1922, 1923, and 1924 are enumerated, will no doubt be found interesting, particularly the increased importation of bicycles, gasolene, liquid fuel, and motor cars and trucks, as indicating the changing means of locomotion in China.

		1922	1923	1924
Bags of all kinds	Pieces	29,671,624	30,381,876	32,570,518
	Piculs	168,852	168,380	297,033
Beer and porter	Value, Hk. Tls.	976,622	811,111	862,974
Bicycles	„	188,843	597,280	1,007,467
Building materials	„	9,861,574	8,990,350	8,841,487
Candles	Piculs	107,969	28,844	6,070
Casks, empty, and shooks	Value, Hk. Tls.	1,311,307	1,248,657	1,041,168
Cigarettes	Mille	9,837,127	10,116,893	9,753,734
Cigars	„	32,242	25,255	24,963
Coal	Tons	1,151,392	1,366,108	1,610,016
Flour	Piculs	3,600,967	5,826,540	9,057,162
Gasolene, etc.	Gallons	4,818,271	6,307,815	7,265,093
Ginseng	Catties	270,839	202,618	184,093
India-rubber goods	Value, Hk. Tls.	2,723,640	1,972,479	2,195,030
Kerosene oil	Gallons	209,192,102	214,835,669	223,207,104
Liquid fuel	Tons	62,764	57,267	104,025

(*To be continued next week*)

"Yung Fung" Has Successful Trial Trip



The "Yung Fung"

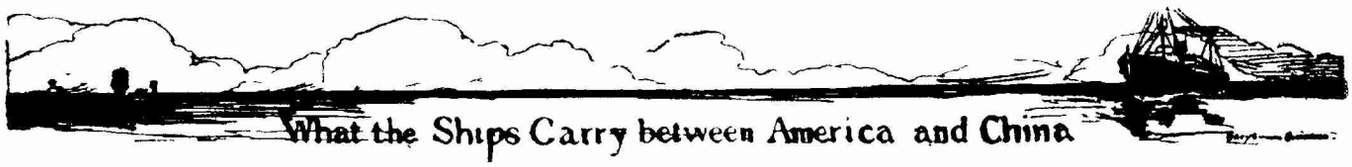
The *Yung Fung*, the new 1,020 ton steamer built by the Huh Hsing Engineering & Shipbuilding Works, Ltd., for upper Yangtsze service for the Compagnie Messageries des Fluvial de Chine, successfully made her debut in Yangtsze shipping circles last Thursday, when on her official tryout trip she piled up an average speed of fourteen and a half knots an hour at the Seven Mile Reach in the upper Whangpoo.

The new ship was especially designed and built for upper Yangtsze service and will ply the difficult Ichang-Chungking run. She measures 202 feet overall, has a 32 foot beam and draws a maximum of 10 feet of water. Heavy and powerful engines generating 3,800 horse-power at 280 revolutions a minute are expected to enable the ship to breast the swift currents of the upper Yangtsze without the aid of tow-lines. She is expected to go on berth for loading within a week. She will accommodate 450 tons of cargo.

Compagnie Messageries des Fluvial de Chine, owners of the new boat, are inaugurating a new service between Ichang and Chungking and in addition to the *Yung Fung* which is a "summer boat" they also have two smaller and shallower boats for the winter service in process of construction at the Kiangnan Docks.

The Huh Hsing Engineering & Shipbuilding Works, Ltd., builders of the new vessel, is one of the most progressive shipbuilding companies in Shanghai, and the *Yung Fung* marks the completion of their largest vessel for upper Yangtsze service. The *Yung Fung* is entirely completed and equipped with the latest devices in navigation, including heavy armor plates for the bridge windows in case of unexpected rifle fire.

Officials on board the vessel on her trial trip included Mr. Tong Chi-ta, director and principal owner of the new Ichang-Chungking service; Mr. King Wor, manager of the Huh Hsing Engineering & Shipbuilding Works, Ltd.; Mr. P. C. Reilley, of Messrs, Parker, Reilley & Simmons, consulting engineers, who were consulted on the construction of the boat; Captain Harry Hemery of the *Fook Lai*, who was in charge of the ship on the trial trip and Mr. F. Ledrux of the French Consulate. A large group of foreign and Chinese business men and members of press were also guests of the Huh Hsing company during the trip.



What the Ships Carry between America and China

Return of the Shanghai Customs

By: Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mille—thousands; Hk. Tls.—Haikwan Tls., Avg Custom's Rate Tls. 1.18 equal Gold $1

S. S. Numidia, July 25, from U. S. A.

Iron Galvanized:		
Pipe Fittings	Pls.	65
Tinned Plates, Scrap	,,	162
Paper, Waxed	,,	16
,, Writing	,,	50
Soda, Caustic	,,	1,502
Cotton Thread	,,	14

S. S. West Niger, July 25, from U. S. A.

Paper, Printing	Pls.	3,531
Motor-cars	Pcs.	1

S. S West Seqvana, July 28, from U. S. A.

Asphaltum	Pls.	4,102
Newspapers, Old	,,	840
Oil, Kerosene, in Cases.	Galls.	402,700
Oil, Lubricating, Mineral	Galls.	20
Turpentine Mineral	,,	1,700

S. S. Taiyo Maru, July 28. from U. S. A

Prunts, Dried	Pls.	19
Gum, Rosin	,,	195
Leather, Calf	,,	6
Newspapers, Old	,,	315
Typewriters	Pcs.	5

S. S. President Monroe, July 29, from U. S. A.

Sheetings:		
Grey, 15½ lb	Pcs.	3,000
Boxes, Cash	,,	65
Brooms	,,	396
Motorcycles	,,	20
Motor-trucks	,,	14
Oilcloth	,,	734
Pianos	,,	1
Typewriters	,,	187
Cotton, Canvas	Yds	560
Waterproof Cloth	,,	256
Cotton Knitted Clothing, Raised	Pls	11
Cotton Yarn, Mercerised		46
Iron Washers	,,	51
,, Pipe Fittings	,,	142
Iron Wire Old	,,	424
,, ,, Rope Old	,,	314
Tinned Plates, Plain	,,	1,530
Solder	,,	8
Butter	,,	23
Canned Asparagus	,,	127
,, Fruits	,,	103
Cement	,,	913
Cheese	,,	13
Flour, Corn	,,	47
Indigo, Paste, Artificial. 20%	,,	4,370
Ink, Printing	,,	13
Lard, in Tin	,,	3
Leather, Kid	,,	4
,, Sole	,,	873
Oakum	,,	40
Paper, Writting	,,	479
,, Unclassed	,,	164
Prunts, Driee	,,	38
Starch	,,	9
Sulphur, Black	,,	352
Tobacco, Leaf	,,	5,590
,, Prepared	,,	3
Twine	,,	2
Paint, Enamel	Galls	100
Paints, Unclassed	,,	390
Varnish	,,	840
Shoes	Pairs.	2,566
Canned Fruits	Doz.	153
,, Meats	,,	126
,, Vegetable	,,	177
Coffee, in Tins	,,	121
Files	,,	1,410
Hats	Doz.	4
Cigarettes	Mille.	865
Cigars	,,	40
Dyes, Aniline, Pkgs. 366	Hk. Tls.	14,499
Machinery	,, ,,	38,551
Treasure: Silver Bars	Hk. Tls.	959,056

S. S. President Madison, Aug. 4.

To Seattle:		
Tea, Black, Kiukiang	Pls.	69
Tea, Green: Young Hyson, other Ports	,,	10
Egg Albumen, Dried	,,	74
,, ,, Moist	,,	408
,, Yolk, Dried	,,	83
,, Whole, Dried	,,	38
,, Whole, Frozen	,,	1,512
Carpets	Hk. Tls.	306
Hair Nets	Hk. Tls.	1,540
To Houston:		
Carpets	Hk. Tls.	1,012
To Philadelphia.		
Skins, Goat, Untanned	Pcs.	39,261
To Huntingdon.		
Silk, Raw, Steam Filature: White, Shanghai, Bls. 10	Pls.	9.75
To Luzerne:		
Silk, Raw. Steam Filature: White, Shanghai, Bls. 15	Pls.	14.71
To Boston:		
Silk, Refuse: Other Ports Bls. 46	,,	152,65
Tea, Green: Gunpowder, Ningpo	,,	56
To Portland:		
Silk Piece Goods	Pls.	0.32
To Scranton:		
Silk, Raw. Steam Filature: White, Shanghai Bls. 5	,,	5.05
To Buffalo:		
Silk, Raw, Steam Filature: White, Shanghai Bls. 40	Pls.	39.20
To Omaha.		
Tea, Green: Gunpowder, Ningpo	,,	208
Young Hyson other Ports	,,	12
To Archbald.		
Silk, Raw, Steam Filature: White, Shanghai, Bls. 10	Pls.	9.79
To Providence.		
Silk, Refuse: Shanghai Bls, 32	,,	99.05
To Denver:		
Carpets	Hk. Tls.	418
To Chicago		
Silk, Raw, Filature: Wild other Ports Bls. 102	Pls.	102.37
Carpets	Hk. Tls.	836
Lace	,,	1,001
To New York:		
Silk, Raw, Re-reeled: Wild, other Ports, Bls. 60	Pls.	61.15
Silk, Raw, Steam Filature: White, Shanghai, Bls. 30	,,	30.01
Silk, Raw, Filature: Wild, Other Ports, Bls. 40	Pls.	40 48
Silk, Piece Goods	,,	3.65
Silk Pongees, Shantung	,,	8,32
Tea, Green: Gunpowder, Ningpo	,,	1
Egg Albumen, Dried	,,	71
Intestines, Pigs', Salted	,,	221
Rhubarb	,,	17
Carpets	Hk. Tls.	6,195

S. S. City of Bedford, Aug. 5,

To Baltimore:		
Egg Albumen, Dried	Pls.	168
To New York:		
To Green: Gunpowder, Ningpo.	,,	474
Young Hyson, other Ports	,,	63
Antimony Regulus	,,	420

S. S. Dryden, July 30. from U. S. A.

Cotton Raw, Bls.	100 Pls	389
Grease, Mineral	,,	140
Oil, Kerosene in Cases.	Galls.	680,090
,, ,, ,, bulk	,,	110,202
,, Lubricating	,,	40,598
Paints, Unclassed	,,	150
Turpentine, Vegetable	Galls.	120

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—The market, during the period under review, has been uninteresting, with little incentive to operate, and price fluctuations in the Exchange moved within a very narrow range.

Weather conditions during the past week have been ideal for the new crop, especially in the Kiaugsu and Chekiang Provinces, and with average sunny weather continuing uutil it matures, a bumper yield is looked forward to. The reports on the American and Indian crop conditions indicate bearish results, and the tendency inclines more toward a weaker than firmer direction. The foregoing circumstances coupled with the prolongation of labor strikes would naturally induce a further weaker tendency in the rates on the native growth, however, in the event of the situation in general asssuming a more normal aspect, there is every likelihood of prices on the domestic raw material maintaining its present level, with an inclination even toward advances, but subject to modifications as may be influenced by the Mid-American and Indian markets.

Yarn:—Our market may be said to have been in steady position throughout the past week in that fluctuations moved within a narrow range, and prices remain the same as compared with last week's level. Businees for export has been booked some 4000 to 5000 bales in all counts during the week nnder review.

Liverpool:—

American-Middling 13.11
„ -Middling last reported 13.12
Tone of market, *Steady.*

Indian Market:—

Fully Good Bengal, Dec/Jan ... 361
Fully Good Broach, Aug 456
Fine Oomra Dec./Jan 403
Tone of the market:—*Steady.*

New York Market:—

Price of Mid-American.	23.55	Spot.
	23.28	Oct.
	23.53	Dec.
	23.04	Jan.
	23.32	Mar.
	23.65	May.

Tone of the market:—*Steady.*

Shanghai Market:—

Tungchow, Oct./Nov.	Tls.	39.00
Shanghai, Spot	„	39.00
M. Ginned, Spot	„	39.25
Shensi, No. 1 Spot	„	40 00
Ningpo, Spot	„	37.00

Tone of the market:—*Steady.*